

# **CITY OF MANCHESTER**

## **NEW HAMPSHIRE**



### **COMPREHENSIVE ANNUAL**

### **FINANCIAL REPORT**

### **FOR THE FISCAL YEAR ENDED**

### **JUNE 30, 2001**

**CITY OF MANCHESTER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2001**

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# **INTRODUCTORY SECTION**



**City of Manchester  
Department of Finance**

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October 19, 2001

To the Honorable Board of Mayor and Aldermen and  
Citizens of the City of Manchester, New Hampshire

The Comprehensive Annual Financial Report (the "CAFR") for the City of Manchester (the "City") for the fiscal year ended June 30, 2001 is hereby submitted. The City's Finance Department prepared this CAFR. The purpose of this report is to provide citizens, investors, grantor agencies, and other interested parties with reliable financial information about the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of the operations of the various funds, account groups, and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The CAFR is presented in three sections: the introductory section, the financial section, and the statistical section. The introductory section, which is unaudited, includes this transmittal letter, the City's organizational chart, and a listing of City officials. The financial section includes the independent auditor's report; the general-purpose financial statements; notes to financial statements; and the combining, individual, and account group financial statements and schedules. The statistical section, which is unaudited, includes pertinent financial and general information indicating trends for comparative basis fiscal years.

The City's general purpose financial statements include all entities for which the City is financially accountable, and other organizations of the City for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board ("GASB") Statement 14 has set forth criteria to be considered in determining financial accountability. This criteria includes whether the City, as the primary government, has appointed a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

The City has four component units - Manchester School District, Manchester Development Corporation, Manchester Transit Authority, and the City of Manchester

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Employees' Contributory Retirement System. Using the criteria of GASB Statement 14, management determined that the Manchester Development Corporation should be blended into the primary government; the Manchester School District, the Manchester Transit Authority, and the City of Manchester Employees' Contributory Retirement System should be discretely presented.

The City is required to have an annual audit performed in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States and in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations." The federal single audit for the year ended June 30, 2001, has been issued under separate cover. All information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations and auditor's report on compliance and on the internal control over financial reporting based on an audit of the general purpose financial statements, will be included therein.

**General Description** - The City is located on the Merrimack River in south central New Hampshire, approximately 58 miles north of Boston, Massachusetts. It is bordered by the towns of Hooksett, Bedford, Londonderry, Goffstown, Auburn, Litchfield, and Merrimack. The City has a population of 107,006, according to the 2000 Population Census, and occupies a land area of 33.9 square miles.

First settled in the early eighteenth century by John Goffe, the land, which is now the City, was the disputed territory of Massachusetts and New Hampshire. This land became part of New Hampshire when New Hampshire became a separate province in 1741. In 1751 the area was incorporated as a town and renamed Derryfield. Over the next century the town evolved from a grazing field into a developing manufacturing center with major cotton and wool milling industries. Samuel Blodgett, the visionary of this development, compared the town to the industrial center of Manchester, England; hence, in 1810, the name of the town was officially changed to Manchester. In 1846, Manchester was granted its city charter. Manchester was one of the first planned cities in the country. Its streets are laid out in a grid pattern and major streets run parallel to the Merrimack River. In recent years the City's economy has undergone a transition from one that was manufacturing-based (textile) to one that includes a diverse array of businesses and industries.

**Description of Government** - The City's current charter (the "Charter") was approved by the voters of the City at the November 5, 1996 general election. The Mayor has appointment powers and budget line-item veto authority. The Charter includes an ethics policy, a local initiative option, and calls for the formation of a Charter Review Committee every ten years.

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The City is governed by an elected Mayor and a fourteen-member Board of Aldermen representing each of the City's twelve wards and two aldermen elected at-large. The Board of Aldermen approves the City's budget and also nominates and appoints the City's officers. The Finance Committee, consisting of the Board of Mayor and Aldermen ("BMA"), approves labor contracts and also adopts monetary appropriations.

**Financial Information** - The City's accounting system is organized and operated on a fund basis. A fund is defined as an accounting entity with a self-balancing set of accounts. The types of funds utilized by the City are as follows: general, special revenue, capital projects, enterprise, and trust and agency. The type and number of individual funds established is determined by accounting principles generally accepted in the United States of America ("GAAP") and sound financial administration. The general, special revenue, capital projects, and expendable trust funds are maintained on a modified accrual basis of accounting, generally with the revenues recorded when measurable and available and the expenditures recorded when the services or goods are received and liabilities are incurred. Accounting records for the City's enterprise, pension, and nonexpendable trust funds are on the accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Internal Controls** - Management of the City is responsible for establishing and maintaining a system of internal controls over financial reporting to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Controls are designed to provide reasonable, but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use; and (2) the reliability and accuracy of financial statements. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of cost and benefits requires estimates and judgment by management. The City believes that its internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As part of the City's single audit, tests were made of the government's internal controls over financial reporting and of its compliance with applicable laws and regulations, including those related to federal and state financial award programs. This testing was not sufficient to support an opinion on the government's internal control system or its compliance with laws and regulation. However, the audit for the year ended June 30, 2001 disclosed no material internal control weaknesses or material violations of compliance with laws and regulations.

**Appropriation Process and Budget Control** - The Charter provides for the Mayor, and such other officials as the Mayor shall select, to prepare a budget for consideration by the Board of Aldermen. The Mayor's proposed budget must include certain historic and projected expenditure and revenue information and statements of anticipated tax levy and debt service requirements. The Mayor's proposed budget is referred to a public hearing.

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After the public hearing the BMA may adopt the proposed budget with or without amendment. If amendments are made, a second public hearing may be held prior to final adoption. The Mayor may veto the entire budget or line items thereof. In the event of a veto all portions of the budget not vetoed shall be passed. If the BMA fails to adopt appropriation resolutions for the ensuing fiscal year by June 30<sup>th</sup>, the Mayor's budget as originally proposed shall prevail.

The Charter also provides for supplemental appropriations, reductions of appropriations, and transfers of appropriations under certain limited circumstances.

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the BMA. Activities of the general fund are included in the annual appropriated budget. Project-length budgets are prepared for the special revenue and capital projects funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level within each fund. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. Unencumbered amounts lapse at year-end. Encumbered amounts at year-end are reported as reservations of fund balance.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

**Cash Management Policies and Practices** - Excess cash was invested in U.S. Treasury Bills, certificates of deposit, repurchase agreements, and the State of New Hampshire (the "State") Investment Pool. The maturities of the investments range from thirty days to six months, with the average maturity closer to the thirty-day range. This was certainly not due to a shortage of funds, but to the reality that the market was in an inverted yield curve position. Consequently, funds were invested for shorter durations to take advantage of the rate environment. The average yield on investments was 5.75%, which contributed to the \$2,255,766 that was realized as interest income in the general fund, which was considerably above the anticipated revenue figure.

The City's Investment Policy conveys the concept that the preservation of capital and the liquidity requirements are the two primary factors considered in the structure of the portfolio. Whether instruments are marketed by banking institutions or pooled investment managers, they are subject to stringent requirements. This contributed to the classification of a low risk profile, which the City strives to maintain. Most accounts/securities were held and designated specifically in the name of the City, while the guarantor of the pooled investment arrangement is the nation's leading municipal bond insurer and a publicly traded, NYSE-listed company.

**Risk Management** - The City has a program of both self-insurance and policies for worker's compensation, health, and general liability. Under this arrangement a third party administrator manages the claims with the City Risk Manager.



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The City has a pro-active Employee Safety Program with a Safety Officer and a Safety Committee meeting on a regular basis.

Liability, property, auto, and professional coverages are maintained with claims coordinated through the Risk Management office.

<b>GENERAL GOVERNMENT FUNCTIONS</b>
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**General Fund Revenues** - The following schedule presents a summary of General Fund revenues (GAAP basis) for the years ended June 30, 2001 and 2000.

Revenues	2001 Amount (000's)	2000 Amount (000's)	Amount of Increase (Decrease) (000's)	Percent of Increase (Decrease)
Taxes	\$58,628	\$60,190	\$(1,562)	(2.59)%
Federal and State Grants	7,147	7,303	(156)	(2.14)
Nonenterprise charges for sales and services	3,898	3,615	283	7.82
Licenses and Permits	18,433	16,212	2,221	13.69
Interest	2,256	2,549	(293)	(11.50)
Other	7,942	6,655	1,287	19.33
Total	\$98,304	\$96,524	\$1,780	1.84%

The decrease in taxes is a result of the BMA applying an increase in fund balance against the tax rate to offset the School District operating loss. The increase in revenues is due mainly to automobile registrations and charges to the School District.

**General Fund Expenditures** - The following schedule presents a summary of General Fund Expenditures (GAAP basis) for the years ended June 30, 2001 and 2000.

Expenditures	2001 Amount (000's)	2000 Amount (000's)	Amount of Increase (Decrease) (000's)	Percent of Increase (Decrease)
General Government	\$17,385	\$17,751	\$(366)	(2.06)%
Public Safety	32,149	29,689	2,460	8.28
Health and Sanitation	2,620	2,304	316	13.71
Highway and streets	19,717	18,505	1,212	6.54
Welfare	1,402	1,213	189	15.58
Education	2,184	3,049	(865)	(28.36)
Parks and recreation	2,941	2,790	151	5.41
Debt Service	13,873	13,523	350	2.59
Total	\$92,271	\$88,824	\$3,447	3.88%

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The overall increase in expenditures is due primarily to salary and benefit costs plus the transition of police officers from grant-funded positions to the general fund.

**General Fund Balance** - The City ended Fiscal Year (“FY”) 2001 with an improved balance sheet over FY 2000. The City’s “rainy day” revenue stabilization fund increased from \$8,235,090 to \$9,008,623. The City’s undesignated fund balance also improved from \$2,221,288 to \$3,777,077. Equally important, the City’s reserves for workers compensation, health insurance, and general liability were also significantly strengthened.

The City’s position with respect to the School District FY 2000 operating deficit (\$3,182,373) and various administrative issues was upheld and formally incorporated into a court-adopted settlement. The Settlement Agreement (dated October 9, 2001) establishes a procedure for eliminating the School District FY 2000 deficit over the two-year period FY 2003-2004. The Agreement also reaffirms certain fundamental management premises insisted upon by the City including City ownership of school facilities; BMA appropriation authority; and BMA debt issuance and authority. The Agreement also encourages the sharing of administrative resources (legal, human resources, finance) which is consistent with a Charter amendment adopted by the electorate re-establishing the School District as a City department.

**General Fund Budget** - The FY 2002 Budget was adopted on June 11, 2001. The budget increases School District spending by \$8,976,432 (8.4%) and municipal spending by \$11,763,364 (12.9%). While appropriations levels increased overall, the City’s tax rate actually decreased by 6.86 cents (22.4%) due to completion of the citywide revaluation.

**Biennial Budget** - Chapter 54 of the Laws of 1998 (RSA 32:25-26 Biennial Budgets) was adopted by the New Hampshire Legislature in an effort to provide municipalities with more management flexibility. The statute allows for biennial budgets to be adopted for the periods immediately following a municipal election, thus providing that elected officials could only adopt biennial budgets covering their two-year term of service. The City Charter also allows for the adoption of biennial budgets. Therefore, pursuant to this legislation, the City will be initiating a trial biennial budget exercise as part of the FY 2003 and FY 2004 budget cycle. This will allow the City to directly experience a biennial budget preparation process to determine its practicality and usefulness as a strategic planning tool. If successful, the City will adopt a biennial budget in June 2002. Otherwise, an annual plan will be adopted for FY 2003 allowing remedial action regarding preparation of a biennial budget to occur throughout FY 2004 in anticipation of a first biennial budget for FY 2005 and FY 2006.

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<b>ECONOMIC DEVELOPMENT</b>
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The City has some unique economic stimuli in the forms of the Manchester Airport, an increasingly attractive alternative to Boston's Logan Airport; the new Verizon Wireless Arena (the "Arena"), a 10,000 fixed-seat entertainment venue; and Dean Kamen's headquarters for IT, the new Segway Human Transport. As a result of these three economic forces it is likely that the greater Manchester area will weather the current national economic recession perhaps better than other regions. However, national economic conditions cannot be discounted and the City's revenue forecast for preparation for the FY 2003 budget will call for a bottom-line status quo position. While the local economy may not suffer as much as some other areas, the prospects for expansion of the City's revenue base are being conservatively estimated for budgeting purposes.

In addition to the management initiatives highlighted, several economic development projects previously authorized by the BMA made substantial progress and other projects were initiated.

**Manchester Air Park** - This project continues to attract new companies that create jobs and improve the tax base of the City, and only one of the original 23 lots remains available for development. Through June 30, 2001 there were 20 lots sold and initial offers or options were placed on two of the remaining three lots. New construction either completed or in progress amounts to nearly 500,000 square feet. Total employment is about 770 jobs; almost 100 new jobs have been or are projected to be created by Air Park businesses.

**Revolving Loan Fund** - In 1996 the BMA appointed five private sector individuals to serve on the Loan Review Committee for this program, which is operated by the Manchester Economic Development Office. No additional loans were made during FY 2001, primarily due to increasing availability of traditional financing. Four of the seven original loans, totaling \$195,000, have already been repaid in full, and these funds are available for future lending activities.

**Business Expansions** - Although the repercussions of a downturn in the high tech industry have been felt in Manchester, the local economy continues to be robust as evidenced by a continuing FY 2001 unemployment rate of under 3% and by new business construction. Public Service of New Hampshire began the rehabilitation of a former steam plant in the Amoskeag Millyard, which will be converted into the company's corporate offices. Schleuniger, Velcro USA, Hitachi Cable Manchester, Freed's Bakery, Dunkin' Donuts, and NNE Benefit Trust expanded their facilities, and Sentry Battery completed construction on a new building. Approvals have been issued for a 102-room Spring Hill Suites hotel at the Manchester Airport, and several other hotels are actively considering Manchester.

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**University of New Hampshire** - The University of New Hampshire at Manchester has consolidated its campus in a renovated mill building in the Amoskeag Millyard, located adjacent to Manchester's downtown. Extensive renovations to the facility were carried out to accommodate the University's library and student activity center which were moved from the former location on Hackett Hill Road. The University has also moved its two-year engineering technology program to Manchester from its main campus in Durham.

**Hackett Hill Business Park** - The City plans to develop a high quality corporate business park on a portion of the 835 acres of land acquired from the University of New Hampshire in 1999. Under terms of an agreement with the U.S. Environmental Protection Agency and the N.H. Department of Environmental Services, 345 acres will be conveyed to the N.H. Nature Conservancy for a natural preserve where no development will occur. A master plan for the corporate business park development on 150 acres has been completed and approved by the BMA.

**Façade Improvement Program** - The City's Community Improvement Program budget allocated \$95,000 in FY 2001 to Intown Manchester management for the continuance of a façade improvement matching grant program (to a maximum of \$5,000 per building owner or \$3,500 per tenant) for businesses in the downtown area. These grant funds were allocated to 27 projects.

**Arena** - Construction on the \$70 million Arena was begun in April 2000 with a projected opening date of November 15, 2001. The construction remains on schedule and on budget. Naming rights for the center were purchased by Verizon Wireless, and the Verizon Wireless Arena will be home to the American Hockey League Manchester Monarchs. The arena seats 10,000-11,000 and is capable of hosting a variety of events including professional hockey, concerts, stage shows, circuses, and political events. SMG, Inc., a subsidiary of Aramark Corporation, will manage the facility and Aramark will provide concession services. Private financing of \$12 million for the project was provided by a consortium of four local banks based on contractually-obligated building income from the sales of luxury suites, club seats, a pouring rights agreement with Pepsi Bottling Group, the Verizon Wireless naming rights, and founding partnerships.

**Business Development** - The Amoskeag Small Business Incubator is 100% occupied with twenty businesses employing 84 persons.

**Surplus/Tax Deeded City Property** - A former school administration building remains under agreement to the Sargent Museum. Also, the rehabilitation of a City-owned, fire-damaged, downtown retail/office building was completed in mid 2001, and current tenants include a Mexican restaurant and several offices. The project utilized a \$1 million grant from the U.S. Department of Commerce Economic Development Administration, City Community Development Block Grant funds, a loan from the Manchester Development Corporation, and a Section 108 Loan Guarantee from the U.S. Department of Housing and Urban Development. This building rehabilitation will create new employment and economic activity in the central business district.

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**Downtown Development** - The City applied for and received a \$5 million loan guarantee from the U.S. Department of Housing and Urban Development through the Section 108 Loan Guarantee Program. These funds, which are backed by the City's Community Development Block Grant allocation from HUD, are being used for the redevelopment of buildings in the Downtown area. Privately-owned projects assisted include the Bond Building, being rehabilitated to retail and high-end residential use, and the Dunlap Building, which will be rehabilitated to retail/office space.

**Riverwalk** - Phase I of this 1.6-mile plan to construct a lighted Riverwalk along the Merrimack River in the City's Downtown is complete. Subsequent phases will proceed as funding sources are identified by the City and a group of private citizens spearheading the project.

<b>MANAGEMENT INITIATIVES</b>
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**Human Resources**

The Human Resources Department ("HR") revised the City's performance measurement tool, the Employee Development Program ("EDP"). The new format offers a more concise, easier to read format than the previous version. All full-time and permanent part-time employees have received training on the EDP process and are using it to map their professional development and measure their performance.

The City is well into the process of Total Quality Management ("TQM")/Continuous Improvement and has made great strides towards the goal of the total involvement of the organization. During FY 2001 the Quality Council ("QC") achieved the following, under the guidance and support of HR:

- € Steering Teams/Work Teams - All City departments were incorporated into eleven Steering Teams; 55 employees serve on these teams. All team members received training, facilitated by HR and the University of New Hampshire/Manchester ("UNH/M") on TQM, teambuilding, and the structure and function of the Steering Team. Every team will define issues within their respective departments by surveying their colleagues and then prioritizing the responses. They will establish work teams, which will consist of employees with the appropriate expertise for the issue at hand. QC members serve as liaisons to each Steering Team and are tracking their progress.
- € Internal Communications Committee ("ICC") - The QC established this committee to address employee concerns about communication. The ICC is responsible for the production of *The City Matters*, the employee newsletter that is published bimonthly; they are in the process of developing an employee directory and a directory of City services and programs. The ICC also established a Rewards and Recognition Committee to work on employee morale issues by coordinating employee events. Seventeen departments/divisions are represented on this committee.

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- ∉ External Team Consultants - Nineteen employees received intensive facilitator training from UNH/M; they are available to work with the QC and departments to facilitate team issues as needed.

During FY 2001 HR continued to publish the monthly training calendar to all employees. HR provided training on policy issues, the TQM process, professional growth and development, orientations, Information Technology technical training, health and wellness, and personal safety and security. They continued their educational partnership with UNH/M with 75 supervisors from throughout the City participating in a supervisory management certification program designed for City employees.

The City continues its efforts to ensure that all City programs, services, and activities are fully accessible to individuals with disabilities. In FY 2001 both branches of the City Library installed several technological devices to assist people with visual and cognitive impairments. Two open houses were held to introduce this technology to the Library patrons. In addition, HR continued to work with Access Manchester, the advisory committee to the BMA on accessibility legislation and issues, to ensure community involvement in the City's compliance efforts. During the September 2000 primary election Manchester was the only city in New Hampshire to offer an accessible voting ballot.

In FY 2001 HR developed and distributed a survey to assess employee satisfaction within their departments and with HR services/employee benefits. The results were compiled by

an independent researcher and will be used to provide a benchmark for future measurements of job satisfaction, improvements in communication, employee benefits, and opportunities for further development.

In order to improve the competitiveness of its benefits package, the City has added a basic life insurance policy and long term disability insurance. Upon the employee's death, the life insurance policy pays one times their annual salary, up to \$50,000. The policy also allows employees the opportunity to purchase additional insurance, at their own expense, for themselves, their spouses, or their dependent children. The basic long-term disability insurance pays the employee 60% of their regular pay for two years. The employee may increase the term of the policy to age 65 at their own expense.

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<b>IMPROVEMENTS TO BASIC SERVICES</b>
---------------------------------------

**Office of the City Clerk**

As the keeper and preserver of official public documents of the public for the City, Chief Election Officer, and City Officer the City Clerk's mission is historical preservation and providing an official legal depository for all City and vital records; preservation and conduction of elections with integrity; and serving the public, professional sector, and legislative body through licensing, administrative, and general support services.

**Archives/Records Center** - The position of Archivist/Records Management Officer became permanent in April 2001. Work is continuing on developing an Archives website which will feature information on genealogy, elections, the Mayors of Manchester, and a guide to the collections found in the Archives. A searchable database will be available for Internet and Intranet use. The Archivist also provides assistance to genealogists, City departments, and scholars. The committee meeting minutes of the BMA are being processed, and finding aids will be written. An inventory has begun of the archival and non-active records of the Office of the Tax Collector. Preservation efforts continue on approximately 20,000 birth, marriage, and death records.

**FY 2001 Accomplishments**

- € Administered two state elections for various state and federal offices
- € Conducted a presidential primary with 55% plus voter turnout and administered 4,072 new voter registration and 4,000 plus voter changes
- € Completed transition to VRV2000 vital records on-line program
- € Assisted with administrative process for redistricting of City wards
- € Completed the 10-year cycle of purging of the checklist pursuant to State statutes
- € Initiated the Traffic ordinance rewrite
- € Implemented reorganization plan within department to administer services more efficiently.

**Information Systems**

In FY 2001 the following major accomplishments took place:

- € Installed a new Motor Vehicle Registration system
- € Installed a new Voter Registration system
- € Completed Phase I of the City Web site upgrade
- € Upgraded the City's Novell network
- € Installed new telephone systems at Library and Police

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**Fire Department**

The Fire Department was in the process of completing the land acquisition for the new Cohas Brook Fire Station which is intended to enhance fire and emergency medical protection to the rapidly expanding southeast section of the City. Specifications were drawn up for a new piece of fire equipment for the station. It will be a combination pumper/aerial ladder truck, commonly called a “quint” because of its 5-function capabilities.

The purchase of nine thermal imaging cameras was approved and specifications were developed by the Training Division. These should be available for use by early 2002.

Work continues on final implementation of the 800 Mhz radio system and also the final details of the Fire Information Management System.

**Police Department**

Manchester’s Community Oriented Policing Program has been cited as a national model by both the U.S. Department of Housing and Urban Renewal and the U.S. Department of Justice’s C.O.P.S. Office. Our Domestic Violence Program was also cited as a national model by former Attorney General Janet Reno.

The Police Department has made several changes over the past year:

- ⌘ Implemented cruiser-based Mobile Data Terminals to allow police officers to access records from their vehicle
- ⌘ Assigned a total of seven officers to all junior and senior high schools as School Resource Officers
- ⌘ The Police Athletic League purchased Saint Cecilia’s Hall to provide continued support to the youth of the City
- ⌘ The Mounted Patrol Unit is in full use and its presence is widely visible patrolling the downtown area and public functions
- ⌘ The Manchester Community Resource Center on Lake Avenue was reopened to provide assistance to the citizens of Manchester



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**Health Department**

Manchester became the first community in New Hampshire to identify a West Nile Virus bird in late summer 2000. In preparation for the expanding West Nile Virus epidemic, the Health Department had already begun trapping mosquitoes to be tested for the virus. With contingency plans in place, the department was able to rapidly institute targeted spraying and mosquito control measures. Expanded mosquito control and West Nile Virus surveillance systems were instituted in spring 2001.

For the past few years the Health Department has worked towards the establishment of broad community measures to reduce the number of adolescent pregnancies and resultant births. Manchester's adolescent birth rate is twice the State's rate and is higher than any other large community in northern New England. National studies have found that 80% of teenage mothers end up in poverty and on welfare. Very few adolescent moms finish high school and over 80% are not married. Such families lead to high child poverty rates, children's health problems, social and educational concerns, unproductive lives, and increased crime. The Health Department acquired nearly \$500,000 in outside funding to initiate adolescent pregnancy prevention measures. Recent data indicates that the campaign is finding success with the adolescent births declining by about 20% in 1999 and 2000 when compared to the average number of births occurring annually in the period 1995 - 1998.

In January 2000 Manchester water was fluoridated. Manchester residents now join the 150 million Americans who currently benefit from fluoridated community water. This will greatly improve the oral health of the community. Following a report on the status of oral health of the community by the Health Department, measures to improve access to dental care for low-income children are being actively pursued. Several Manchester dentists have volunteered to work on the Health Department's state of the art mobile dental van towards this end.

The Health Department and the American Lung Association lead a Greater Manchester Asthma Alliance. This alliance brings together key community providers who plan for improved diagnosis and community prevention programs. Asthma is increasing rapidly in the United States and Manchester. These initiatives improve the health and quality of life of many Manchester area children and residents. This work is closely linked to the department's school health program and the work of its environmental toxicologist.

Given the increase in cultural and ethnic diversity among City residents, the Health Department has worked to improve diversification in its staff. The Health Department now employs Hispanic, Bosnian, Arabic, Vietnamese, French, and Chinese-speaking public health workers. Bilingual professional staff are instrumental in ensuring appropriate disease control and prevention programs can be accessed by non-English speaking population groups in Manchester.

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**Highway Department**

The Highway Department in FY 2001 continued to improve and maintain the City's infrastructure and provide general basic services (construction and maintenance of all public roadways, bridges and buildings, the collection and treatment of wastewater, the control and collection of storm drainage, and the collection and disposal of solid waste).

The Solid Waste Division provided curbside as well as drop-off services to the residents.

- € Jointly, curbside recycling and yard waste programs collected and returned to the marketplace 11,319 tons of the City's recyclable materials representing 22% of total municipal waste
- € The Resident Drop-off Facility processed 4,745 tons of waste, serving approximately 16,000 customers and generating \$471,815 in revenues for the City
- € The department collected 44,208 tons of refuse at the curb.

**Traffic Department**

The Traffic Department has shown substantial growth in revenues with an increase of \$1 million. The workload associated with parking meters is increasing at a volume of 300 meters annually. FY 2001 has been a year of preparation for the opening of the Verizon Wireless Arena with the adoption of ordinances pertaining to parking limits and increased fees for all garages, parking lots, and on-street parking meters.

The Traffic Department is in the process of initiating, fabricating, and installing traffic guidance signs associated with the Arena. This project is 50% complete with the installation of the I-293 and 93 traffic signs. The department is working with the N.H.

Department of Transportation for the final installation of the Arena signs within the City and on the turnpikes to guide the motorists to the Arena.

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<b>ENTERPRISE OPERATIONS</b>
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**Manchester Airport**

Centrally located in the heart of New England, Manchester Airport offers air travelers easy access, competitive airfares, ample parking and a growing schedule of non-stop and direct jet service. Manchester Airport is a self-supporting, City-owned entity and the largest commercial passenger, cargo, and general aviation airport in all of northern New England.

**Financial Performance** - Manchester Airport experienced a sound financial year with strong gains in revenue, particularly parking, concession, and rental car revenue. Cost containment and responsible long-range planning played a major role in management decision making. The airport continued to be recognized as one of the most important economic engines in the entire state of New Hampshire.

**Economic Impact** - An economic impact study for Manchester Airport was conducted in 1999. The study shows that Manchester Airport contributed over \$500 million to the local economy in 1998. The study also illustrates, using a conservative “multiplier” to reflect continued growth and success of the airport in the future, that Manchester Airport will contribute over one billion dollars annually to the local economy by 2010.

**Passenger Activity** - Manchester Airport is served by Air Canada, American Eagle, Continental Airlines, Continental Connection, Continental Express, Delta Airlines, Delta Connection-COMAIR, MetroJet, Northwest Airlines, Southwest Airlines, United Airlines, US Airways and US Airways Express. Non-stop destinations include Albany, Atlanta, Baltimore, Chicago (O’Hare and Midway), Cincinnati, Cleveland, Detroit, Kansas City, Montreal, Nashville, New York (LaGuardia, JFK, and Newark), Orlando, Philadelphia, Pittsburgh, Plattsburgh, Tampa, Toronto, Washington National, and Westchester County.

Passenger activity at the airport has increased dramatically during the past several years with the addition of several new airlines and additional jet service offerings from existing airlines. Passenger activity at Manchester Airport grew an astounding 75% from 1997 to 1998, another impressive 45% from 1998 to 1999 and a solid 13% from 1999 to 2000. The airport expects to welcome over 3.5 million passengers in the 2001 calendar year.

**Cargo Activity** - Cargo activity has also exhibited significant growth during the past several years. The 2000 year-end report from Manchester Airport shows that cargo activity increased to a record-breaking 175 million pounds for the year. UPS, FedEx, and Airborne Express were responsible for handling a majority of the air cargo at Manchester last year.

Manchester Airport is New England’s third largest cargo airport. Over the past several years FedEx, UPS, and Airborne Express have invested millions of dollars increasing ramp, sorting, and distribution capabilities at Manchester.

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**Capital Improvement/Airport Master Plan Program** - Due to a dramatic increase in activity over the past decade, the City has undertaken a major improvement program at the airport. The decade-long program includes the development and construction of a new 158,000 square foot passenger terminal (1994), a 70,000 square foot passenger terminal addition (1999), additional parking - including a 4,800 space parking garage (1999), a pedestrian bridge, complete with moving sidewalks, connecting the parking garage to the passenger terminal (2001), roadway improvements, and runway and taxiway reconstruction and lengthening.

**Residential Sound Insulation Program** - The Manchester Airport Residential Sound Insulation Program began in October 1993. This successful program was developed by the airport to reduce the noise impact on the interior living environments of qualified homes located in neighborhoods around the airport. The program provides homeowners with a specialized package of sound insulation modifications designed to meet the noise reduction goals established by the Federal Aviation Administration ("FAA") and the City.

To date, over 400 homes have received sound insulation modifications and the City has received almost \$20 million in federal funding dedicated to the program.

**Property Acquisition Program** - The Manchester Airport Property Acquisition Program is a voluntary program designed to give homeowners located within or adjacent to the airport's runway protection zone ("RPZ") the opportunity to sell their homes. The FAA has identified over 100 homes eligible for participation in this program. To date, approximately 85 area homeowners have accepted the airport's offer for purchase of their home. The goal of this voluntary program is to work with each and every eligible homeowner interested in relocating from within the airport's RPZ.

### **Parks, Recreation, and Cemetery**

The Parks, Recreation, and Cemetery Department continues to invest significant capital to the improvement of its park system. The projects listed include passive parks, recreational facilities, neighborhood parks, trail systems, and school district site improvements. The department is making every effort to meet the recreational and open space requirements brought forward by various groups and organizations within the City.

- € Administration - The Kronos Timekeeper System is now complete. This has improved the department's ability to provide a cost accounting function that provides timely and accurate information for a wide variety of uses.
- € Parks Division - West Memorial High School Project
  - A. The artificial playing surface to accommodate physical education, band practice, football, soccer, and field hockey is complete
  - B. Athletic field lighting is complete
  - C. Installation of spectator seating for 1,800 is complete

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- D. Final pavement and installation of polyurethane running surface to be installed in fall 2001
- E. All additional track event areas to be complete in fall 2001
- € Livingston Park Project
  - A. The track, soccer fields, seating, lighting, playground, landscaping, and associated park amenities are complete
  - B. The next phase, to begin in fall 2001, will address the passive portion of the park including construction of trail system around the perimeter of the pond, docks to accommodate small watercraft, landscaping, and parking lot improvements
- € Railroad Corridor/Trailway Project - Construction of the first section is set to begin in fall 2001. Construction will begin at the west side of the Merrimack River and continue in a westerly direction for approximately one mile. A pedestrian footbridge will be constructed over Second Street as part of this phase. Eventually this section will connect to a pedestrian bridge across the Merrimack River to the Riverwalk on the east side. Future construction on the west side will be in a westerly direction and connect to the railroad corridor in Goffstown, New Hampshire.
- € Completed Neighborhood Park/Playgrounds
  - A. Pine Island Playground Project
  - B. Youngsville tennis court resurfacing
  - C. Skateboard park
  - D. Basketball surface color coating at Rock Rimmon, Sweeney, and Pulaski Parks
- € Passive Parks - Site improvements
  - A. Kalivas Park
  - B. Enright Park
  - C. Sheridan Park
  - D. The above projects will be totally complete in fall 2001
- € School District Site Projects
  - A. Webster School - improvements to the front of the school including new ADA accessible walkways, landscaping, and signage are complete
  - B. Northwest Elementary School - improvements to the front of the school including new ADA accessible walkways, landscaping, and bus drop-off are complete

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€ Recreation Division

- A. McIntyre Ski Area - Phase III construction of new tubing park, snowmaking improvements, and development of new beginner teaching area to take place in fall 2001
- B. Gill Stadium - Improvements to the grandstand including ADA accessibility requirements are complete
- C. JFK Coliseum - Installation of new hockey dasher board system is complete

**Manchester Area Aggregation Program**

Deregulation of the electric utility industry in New Hampshire, and associated enactments by the State Legislature, prompted the City in 1997 to institute the Manchester Area Aggregation Program (“MAAP”) to assist local residents and businesses. MAAP is designed to take advantage of the City’s large buying power by grouping retail electric customers to broker or contract for electric power supply and energy services for such customers. The City, as “Aggregator”, is a municipality engaging in the aggregation of customers within its boundaries.

A move toward full customer choice in the electric industry is expected to place the City in a better competitive position through its Aggregation Program with greater loads and a larger pool of energy supply competitors. The second largest city in the state, Nashua, has also adopted an Aggregation Plan and has entered into an intermunicipal agreement with MAAP to administer their program.

The benefits of a competitive supplier environment for full deregulation of the electric industry in New Hampshire have not yet been realized. However, MAAP has proceeded with the aggregation of energy efficiency measures (“EEM”) and natural gas. Under the EEM contract dated May 19, 1999 MAAP implemented a number of projects for energy efficient fixtures and equipment. This initial work to reduce energy costs will continue into 2002 through additional energy audits and energy efficient fixtures and equipment.

The initial natural gas contract, which expired on September 30, 2001, provided municipal accounts with a guaranteed 5% annual savings over current tariff rates. A new two-year contract for natural gas was signed on September 6, 2001. This contract provides for natural gas procurement for the Cities of Manchester and Nashua and allows for aggregation of small commercial accounts in New Hampshire.

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**Manchester Water Works**

From a financial standpoint, despite a significant drop in revenue due to the unusually wet summer months, the department was able to meet its financial goals after the Board of Water Commissioners acted to defer several purchases and projects late in the year. This marks the tenth consecutive year without the need for a water rate increase for either the city or the out-of-town customers.

Another significant project that occurred during the year was a comprehensive evaluation of the condition and capabilities of the City's 25-year old water treatment plant. The general findings were that the plant structure was in excellent condition and that it continued to produce a high quality water. However, several of the plant's mechanical processes were identified as beyond their useful life and unable to be upgraded to meet pending regulations. Another key element in the report was the evaluation of the impact of bringing Merrimack River water to the Water Treatment Plant to augment the existing Lake Massabesic supply. A number of options were identified and a matrix was produced which looked at the costs and benefits of each. Pending state and federal regulations also played a significant role in the decision process, particularly federal regulations governing the removal of viruses such as giardia and cryptosporidium and pending state instream flow rules concerning river withdrawals.

Acceptance of the report by the Board of Water Commissioners late in the year placed Manchester Water Works on a course to upgrade the City's Water Treatment Plant to treat Lake Massabesic water and called for the conceptual design of an unmanned treatment facility located on the Merrimack River to treat river water. The Merrimack River plant would be a modular type design that would allow additional capacity to be added as needed. This approach is not only the most favorable from an environmental standpoint, it is also the least costly and allows the department to take advantage of both proven technology for the consistent water quality of Lake Massabesic, as well as state-of-the-art high technology for the varying water quality of the Merrimack River.

The Distribution Division continued its emphasis on maintaining system infrastructure through preventative maintenance and capital replacement, as well as responding to moderate growth of the distribution piping network. Cleaning and cement mortar lining continues to be the preferred methodology for pipeline rehabilitation of structurally sound and appropriately sized distribution mains. The City's combined sewer overflow separation project will essentially dictate the areas that water main replacement work will be conducted over the next ten years, as Manchester Water Works attempts to coordinate its work effort and take advantage of reduced costs associated with roadway construction.

A total of 37,346 feet of new distribution main was added to the City's distribution system during the year along with 251 new domestic services, and 56 new fire services.

**CITY OF MANCHESTER, NEW HAMPSHIRE**  
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<b>BOND ISSUES AND CREDIT RATING DURING PERIOD</b>
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The general debt limit of the City is 9.75% of base valuation, a total capacity of \$500,532,849; not more than 7% of which may be incurred for School purposes. Water and Sewer projects ordered by the State Water Supply and Pollution control commission, self-supporting sewer debt, debt for urban redevelopment and housing purposes, and overlapping debt are excluded from the measure of indebtedness. Other water projects are subject to a separate, special debt limit of 10% of the City's base valuation. Borrowings authorized by special legislative acts rather than the general municipal finance statutes are also sometimes excluded from a city or town's statutory debt limit.

As of June 30, 2001 the City has a total outstanding General Obligation debt of \$110,870,443 and authorized and unissued debt of \$55,930,000 including \$22 million for Pension Obligation Bonds, \$12.1 million for Sanitary Landfill Closure, with the balance dedicated to a diversity of both City and School infrastructure improvement projects.

<b>INDEPENDENT AUDIT</b>
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State statutes and the City Charter require an annual audit by an independent certified public accountant. The City has engaged McGladrey & Pullen, LLP, Certified Public Accountants, to conduct the City's audit. In addition to meeting the requirements set forth in State statutes and the Charter, the audit was also designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133. The financial records, books of accounts, and transactions of the City for the fiscal year ended June 30, 2001 have been audited by McGladrey & Pullen, LLP. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

<b>ACKNOWLEDGEMENTS</b>
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I would like to thank all of the City's department heads, payroll and account clerks for completion of another successful year. I would especially like to thank the staff of the Finance Department for their dedication and attention to detail.

Respectfully submitted,

*Kevin A. Clougherty*

Kevin A. Clougherty  
Finance Officer



The organizational chart for the City of Manchester is structured as follows:

- Mayor** (Elected by Citizens)
  - Board of School Committee** (Elected by Citizens)
    - School District
  - Board of Aldermen** (Elected by Citizens)
    - Welfare Commissioner** (Elected by Citizens)
      - Welfare Department
    - City Officers** (Nominated and Appointed by Board of Aldermen)
      - City Clerk
      - Finance Officer
      - City Assessors
      - Office of the City Clerk
      - Finance Department
      - Office of Assessors
    - Library Trustees** (Nominated and Appointed by Board of Aldermen)
      - Libraries
      - Library Trust Funds
  - Special Service Boards and Commissions** (Nominated by the Mayor and Confirmed by the Board of Aldermen)
    - Conduct Board
    - Board of Recount
    - Art Commission
    - Heritage Commission
    - Planning Board
    - Water Commission
    - Conservation Commission
    - Zoning Board of Adjustment
    - Manchester Development Corporation
    - MDC Inc.
    - Trustees of Trust Funds
    - Board of Registrars
  - Departments** (Nominated by the Mayor and Confirmed by the Board of Aldermen)
    - City Solicitor
    - Director of Human Resources
    - Director of Public Building Services
    - Director of Information Systems
    - Director of Youth Services
    - Director of Elderly Services
    - Director of Traffic
    - Director of Public Works
    - Superintendent of Parks, Recreation & Cemeteries
    - Building Commissioner
    - Airport Manager
    - Economic Development Director
    - Office of the City Solicitor
    - Department of Human Resources
    - Department of Public Building Services
    - Information Systems Department
    - Office of Youth Services
    - Department of Elderly Services
    - Department of Health
    - Department of Traffic
    - Department of Highway
    - Department of Parks, Recreation & Cemeteries
    - Department of Building
    - Department of Aviation
    - Economic Development Office
    - Risk Management
    - Chief Negotiator/Contract Administration
    - Systems Advisory Committee
    - Fire Commission
    - Police Commission
    - Board of Health
    - Elderly Services Commission
    - Highway Advisory Commission
    - Parks & Recreation Commission
    - Building Board of Appeals
    - Airport Authority

**List of Principal Officials  
in office at the close of fiscal year ended June 30, 2001**

**Mayor**

Robert A. Baines

**Aldermen**

Ward 1	David M. Wihby	Ward 7	William P. Shea
Ward 2	Theodore L. Gatsas	Ward 8	Steve Vaillancourt
Ward 3	Joseph Levasseur	Ward 9	Robert J. Pariseau
Ward 4	Mary A. Sysyn	Ward 10	William B. Cashin *
Ward 5	James J. Clancy	Ward 11	Henry R. Thibault
Ward 6	Real R. Pinard	Ward 12	Keith Hirschmann
At-large	Michael Lopez	At-large	Daniel P. O'Neil

\* Chairman of the Board

**City Departments**

Finance Officer	Kevin A. Clougherty
Deputy Finance Officer	Randy M. Sherman, CPA
Second Deputy Finance Officer	Joanne L. Shaffer
City Clerk	Leo R. Bernier
City Solicitor	Thomas R. Clark
Commissioner of Welfare	Susan G. Lafond
Police Chief	Mark L. Driscoll
Fire Chief	Joseph P. Kane
Health Officer	Frederick Rusczek, M.P.H.
Director of Public Works	Frank C. Thomas, P.E.
Director of Parks & Recreation & Cemetery	Ronald E. Ludwig
Director of Economic Development	Jay Taylor
Building Commissioner	Leon LaFreniere
Director of Traffic	Thomas P. Lolicata
Director of Airport	Kevin A. Dillon
Director of Water	Thomas M. Bowen, P.E.
Director of Information Systems	Diane Prew
Director of City Library	John A. Brisbin
Director of Planning Board	Robert S. Mackenzie
Superintendent of Schools	Normand Tanguay
Director of Human Resources	Vacant
Director of Elderly Services	Barbara A. Vigneault
Director of Youth Services	Vacant
Chairman Board of Assessors	Steven G. Tellier
Tax Collector	Joan A. Porter

# **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT  
ON THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

To the Honorable Board of Mayor and Aldermen  
City of Manchester, New Hampshire

We have audited the accompanying general purpose financial statements of the City of Manchester, New Hampshire ("the City") as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the Manchester School District, the Manchester Transit Authority and the City of Manchester Employees' Contributory Retirement System, component units of the City, which financial statements reflect governmental, proprietary and fiduciary fund types with total assets of \$33,496,342, \$4,706,780 and \$93,526,828, respectively, and total revenues/additions of \$117,013,672, \$3,885,268 and \$4,397,344, respectively. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to amounts included for the Manchester School District, the Manchester Transit Authority and the City of Manchester Employees' Contributory Retirement System, component units of the City, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the reports of other auditors, provide a reasonable basis for our opinion.

In our opinion, based on our report and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Manchester, New Hampshire as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types, nonexpendable trust funds and discretely presented component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated October 19, 2001 on our consideration of the City of Manchester, New Hampshire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Manchester, New Hampshire. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The other data included in this comprehensive annual financial report, designated as "statistical section" in the table of contents, has not been audited by us and, accordingly, we express no opinion on it.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
October 19, 2001

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**



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**Combined Balance Sheet**  
**All Fund Types, Account Groups and Discretely Presented Component Units**

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Enterprise	Trusts & Agency
<b>Assets and Other Debits</b>					
<b>Assets</b>					
Cash and cash equivalents	\$ 47,172,252	\$ 3,206,600	\$ 36,595	\$ 33,200,975	\$ 3,128,601
Restricted cash and cash equivalents	339,921	949,125	98,999	44,402,889	
Restricted investments				10,942,545	
Investments	1,500,529	683,262			16,760,915
Receivables, net of allowances for collection losses	19,711,618	1,504,669	2,516,353	19,183,022	1,196,281
Prepaid items				2,565,286	
Due from other funds	6,786,143	66,000		365,316	
Due from the City of Manchester					
Inventories	464,191			665,508	
Land held for resale		504,187			
Property and equipment, net, where applicable, of accumulated depreciation				418,598,996	
<b>Total Assets</b>	<b>75,974,654</b>	<b>6,913,843</b>	<b>2,651,947</b>	<b>529,924,537</b>	<b>21,085,797</b>
<b>Other Debits</b>					
Amounts to be provided for by taxation:					
Bonds payable - City					
Capital appreciation bonds					
Bonds payable - Manchester School District					
Compensated absences					
Insurance claims					
Insurance claims from general fund					
Net Pension Obligations					
Landfill closure and post-closure care					
Retirement of general long-term obligations					
<b>Total Other Debits</b>					
<b>Total Assets &amp; Other Debits</b>	<b>\$ 75,974,654</b>	<b>\$ 6,913,843</b>	<b>\$ 2,651,947</b>	<b>\$ 529,924,537</b>	<b>\$ 21,085,797</b>

See accompanying notes.



Account Groups		Total	Component Units			Total
General	General	Primary Government	Manchester	Manchester	Pension	Reporting Entity
Fixed Assets	Long-Term Debt	(Memorandum Only)	School District	Transit Authority	Trust	(Memorandum Only)
		\$ 86,745,023	\$ 11,149,343	\$ 1,245,129	\$232,477	\$ 99,371,972
		45,790,934				45,790,934
		10,942,545				10,942,545
		18,944,706			93,029,088	111,973,794
		44,111,943	3,338,302	828,040	254,173	48,532,458
		2,565,286		47,338	11,090	2,623,714
		7,217,459	1,709,786			8,927,245
			7,832,218			7,832,218
		1,129,699		152,817		1,282,516
		504,187				504,187
<u>\$ 158,601,262</u>		<u>577,200,258</u>	<u>9,466,693</u>	<u>2,433,456</u>		<u>589,100,407</u>
<u>158,601,262</u>		<u>795,152,040</u>	<u>33,496,342</u>	<u>4,706,780</u>	<u>93,526,828</u>	<u>926,881,990</u>
	\$ 68,034,279	68,034,279				68,034,279
	5,988,117	5,988,117				5,988,117
	42,836,164	42,836,164				42,836,164
	5,257,656	5,257,656				5,257,656
	2,508,988	2,508,988				2,508,988
	2,168,576	2,168,576				2,168,576
	364,220	364,220				364,220
	19,931,904	19,931,904				19,931,904
			13,261,332			13,261,332
	<u>147,089,904</u>	<u>147,089,904</u>	<u>13,261,332</u>			<u>160,351,236</u>
<u>\$ 158,601,262</u>	<u>\$ 147,089,904</u>	<u>\$ 942,241,944</u>	<u>\$ 46,757,674</u>	<u>\$ 4,706,780</u>	<u>\$ 93,526,828</u>	<u>\$ 1,087,233,226</u>

(continued)

Combined Balance Sheet (continued)  
All Fund Types, Account Groups and Discretely Presented Component Units

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Enterprise	Trusts & Agency
<b><u>Liabilities, Fund Equity and Other Credits</u></b>					
<b>Liabilities</b>					
Accounts and warrants payable	\$ 3,714,479	\$ 1,109,006	\$ 1,635,069	\$ 6,263,329	
Retainage payable			108,998	1,868,848	
Accrued liabilities	1,785,017	28,077		7,175,761	
Insurance claims payable	810,705				
Due to other funds		146,741	2,519,254	1,721,117	\$ 2,830,347
Due to Manchester School District	7,832,218				
Deferred revenue	17,755,361	270,404		205,745	
Taxes collected in advance	24,385,060				
Amount payable for pension benefits					
Bonds and notes payable - City				256,960,126	
Capital appreciation bonds					
Bonds and notes payable - Manchester School District					
Due to State of New Hampshire				7,625,084	
Compensated absences				1,243,219	
Old system and NHRS supplemental benefits					
Landfill closure and post-closure care					
Other		548,751		279,006	
<b>Total Liabilities</b>	<b>56,282,840</b>	<b>2,102,979</b>	<b>4,263,321</b>	<b>283,342,235</b>	<b>2,830,347</b>
<b><u>Equity and Other Credits</u></b>					
Investment in general fixed assets					
Contributed capital				123,112,416	
Retained earnings					
Reserved				19,256,042	
Unreserved				104,213,844	
Fund balances					
Designated for					
Workers' compensation	624,424				
Health insurance	1,610,823				
General liability insurance	1,452,818				
Reserved for					
Encumbrances	1,032,741	1,335,799	7,616,636		
Cemetery and other trust funds					15,467,449
Library					2,788,001
Employees' Retirement System					
Inventory	464,191				
Advances	1,721,117		2,493,932		
Revenue stabilization	9,008,623				
Land held for resale		504,187			
Unreserved					
Undesignated fund balance (deficit)	3,777,077	2,970,878	(11,721,942)		
<b>Total Equity and Other Credits</b>	<b>19,691,814</b>	<b>4,810,864</b>	<b>(1,611,374)</b>	<b>246,582,302</b>	<b>18,255,450</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$ 75,974,654</b>	<b>\$ 6,913,843</b>	<b>\$ 2,651,947</b>	<b>\$ 529,924,537</b>	<b>\$ 21,085,797</b>

See accompanying notes.

Account Groups		Total Primary Government (Memorandum Only)	Component Units			Total Reporting Entity (Memorandum Only)
General Fixed Assets	General Long-Term Debt		Manchester School District	Manchester Transit Authority	Pension Trust	
		\$ 12,721,883	\$ 1,609,288	\$ 18,077	\$ 141,949	\$ 14,491,197
		1,977,846				1,977,846
		8,988,855	11,439,859	44,030	350,027	20,822,771
	\$ 4,677,564	5,488,269	900,246			6,388,515
		7,217,459	1,709,786			8,927,245
		7,832,218				7,832,218
		18,231,510	20,228,069	5,765		38,465,344
		24,385,060				24,385,060
			4,328,611			4,328,611
	68,034,279	324,994,405				324,994,405
	5,988,117	5,988,117				5,988,117
	42,836,164	42,836,164				42,836,164
		7,625,084				7,625,084
	5,257,656	6,500,875		327,609		6,828,484
	364,220	364,220				364,220
	19,931,904	19,931,904				19,931,904
		827,757				827,757
	<b>147,089,904</b>	<b>495,911,626</b>	<b>40,215,859</b>	<b>395,481</b>	<b>491,976</b>	<b>537,014,942</b>
\$ 158,601,262		158,601,262	9,466,693			168,067,955
		123,112,416		946,938		124,059,354
		19,256,042		1,639,028		20,895,070
		104,213,844		1,725,333		105,939,177
		624,424				624,424
		1,610,823				1,610,823
		1,452,818				1,452,818
		9,985,176	34,968			10,020,144
		15,467,449				15,467,449
		2,788,001				2,788,001
					93,034,852	93,034,852
		464,191				464,191
		4,215,049				4,215,049
		9,008,623				9,008,623
		504,187				504,187
		(4,973,987)	(2,959,846)			(7,933,833)
<b>158,601,262</b>		<b>446,330,318</b>	<b>6,541,815</b>	<b>4,311,299</b>	<b>93,034,852</b>	<b>550,218,284</b>
<b>\$ 158,601,262</b>	<b>\$ 147,089,904</b>	<b>\$ 942,241,944</b>	<b>\$ 46,757,674</b>	<b>\$ 4,706,780</b>	<b>\$ 93,526,828</b>	<b>\$ 1,087,233,226</b>

**Combined Statement of Revenues,  
Expenditures and Changes in Fund Balances  
All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units**

	<b>General Fund</b>	<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>
<b><u>Revenues</u></b>			
Taxes	\$ 58,628,056		
Federal and state grants and aid	7,146,789	\$ 7,930,776	\$ 220,728
Nonenterprise charges for sales and services	3,898,497	186,858	
Licenses and permits	18,432,863		
Interest	2,255,766	136,453	
Contributions			
Net gain (loss) on sale of securities			
Other	7,942,319	2,613,453	
<b>Total Revenues</b>	<b>98,304,290</b>	<b>10,867,540</b>	<b>220,728</b>
<b><u>Expenditures</u></b>			
Current:			
General government	17,384,526	9,969,894	6,819,847
Public safety	32,148,521	1,594,302	28,574
Health and sanitation	2,620,250	608,849	15,574
Highway and streets	19,717,326	906,019	3,007,299
Welfare	1,401,741	50,440	
Education	2,184,410	607,838	570,474
Parks and recreation	2,940,972	636,775	2,303,659
Cemetery Trust			
Investment management fee			
Debt service:			
Principal retirement	10,287,693		
Interest	3,586,005		
<b>Total Expenditures</b>	<b>92,271,444</b>	<b>14,374,117</b>	<b>12,745,427</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>6,032,846</b>	<b>(3,506,577)</b>	<b>(12,524,699)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Operating transfers in	350,100	2,532,600	
Operating transfers out	(2,532,600)	(50,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>(2,182,500)</b>	<b>2,482,600</b>	
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses	3,850,346	(1,023,977)	(12,524,699)
<b>Fund Balance (Deficit), beginning of year</b>	<b>15,841,468</b>	<b>5,834,841</b>	<b>10,913,325</b>
<b>Fund Balance (Deficit), end of year</b>	<b>\$ 19,691,814</b>	<b>\$ 4,810,864</b>	<b>\$ (1,611,374)</b>

See accompanying notes.

Expendable Trust Funds	Total Primary Gov. (Memorandum Only)	Manchester School District	Total Reporting Entity (Memorandum Only)
	\$ 58,628,056	\$ 26,968,740	\$ 85,596,796
	15,298,293	72,758,132	88,056,425
	4,085,355	15,689,722	19,775,077
	18,432,863		18,432,863
\$ 337,785	2,730,004	443,944	3,173,948
2,008,672	2,008,672	190,274	2,198,946
(11,146)	(11,146)		(11,146)
	10,555,772	962,860	11,518,632
<b>2,335,311</b>	<b>111,727,869</b>	<b>117,013,672</b>	<b>228,741,541</b>
1,796,703	35,970,970		35,970,970
	33,771,397		33,771,397
	3,244,673		3,244,673
	23,630,644		23,630,644
	1,452,181		1,452,181
	3,362,722	108,250,789	111,613,511
	5,881,406		5,881,406
60,384	60,384		60,384
9,989	9,989		9,989
	10,287,693	6,236,433	16,524,126
	3,586,005	1,958,028	5,544,033
<b>1,867,076</b>	<b>121,258,064</b>	<b>116,445,250</b>	<b>237,703,314</b>
<b>468,235</b>	<b>(9,530,195)</b>	<b>568,422</b>	<b>(8,961,773)</b>
	2,882,700		2,882,700
	(2,582,600)		(2,582,600)
	<b>300,100</b>		<b>300,100</b>
468,235	(9,230,095)	568,422	(8,661,673)
<b>2,591,007</b>	<b>35,180,641</b>	<b>(3,493,300)</b>	<b>31,687,341</b>
<b>\$ 3,059,242</b>	<b>\$ 25,950,546</b>	<b>\$ (2,924,878)</b>	<b>\$ 23,025,668</b>

**Combined Statement of Revenues, Expenses,  
and Changes in Retained Earnings/Fund Balances -  
All Proprietary Fund Types and Nonexpendable Trust Funds and Discretely Presented Component Units**

	<b>Proprietary Fund Type</b>	<b>Fiduciary Fund Type</b>
	<b>Enterprise</b>	<b>Nonexpendable Trust Funds</b>
<b>Revenues</b>		
Charges for goods and services	\$ 49,630,482	
Interest and dividends		\$ 553,831
Contributions		250,518
Investment income (loss)		(513,340)
Other	2,139,973	
<b>Total Revenues</b>	<b>51,770,455</b>	<b>291,009</b>
<b>Expenses</b>		
Personnel services	11,239,154	
Plant maintenance	5,843,683	
Light/heat and power	4,618,610	
General and administrative	7,424,303	
Depreciation and amortization	11,939,873	
Cemetery		38,750
Library		75,487
Investment management fee		35,253
<b>Total Expenses</b>	<b>41,065,623</b>	<b>149,490</b>
<b>Operating Income</b>	<b>10,704,832</b>	<b>141,519</b>
<b>Non-operating Revenues (Expenses), net</b>		
Soundproofing program grant	2,774,840	
Soundproofing program expense	(2,950,505)	
Interest income	4,958,372	
Interest expense	(11,738,464)	
Reimbursements of bond interest expense	352,326	
Passenger facility charges	4,541,383	
Customer facility charges	1,965,674	
Rent and other income	137,145	
<b>Total Non-operating Revenues (Expenses)</b>	<b>40,771</b>	
Net income before capital contributions and operating transfers	10,745,603	141,519
Capital Contributions	8,431,597	
Operating Transfers Out		(300,100)
<b>Net Income (Loss)</b>	<b>19,177,200</b>	<b>(158,581)</b>
Add depreciation on fixed assets acquired by grants and individual contributions externally restricted for capital acquisitions and construction that reduces contributed capital	5,120,188	
<b>Increase (Decrease) in Retained Earnings/Fund Balance</b>	<b>24,297,388</b>	<b>(158,581)</b>
<b>Retained Earnings/Fund Balances, beginning of year</b>	<b>99,172,498</b>	<b>15,354,789</b>
<b>Retained Earnings/Fund Balances, end of year</b>	<b>\$ 123,469,886</b>	<b>\$ 15,196,208</b>

See accompanying notes.

<b>Total Primary Government (Memorandum Only)</b>	<b>Manchester Transit Authority</b>	<b>Total Reporting Entity (Memorandum Only)</b>
\$ 49,630,482	\$ 2,190,102	\$ 51,820,584
553,831		553,831
250,518	1,695,166	1,945,684
(513,340)		(513,340)
2,139,973		2,139,973
<b>52,061,464</b>	<b>3,885,268</b>	<b>55,946,732</b>
11,239,154	2,863,242	14,102,396
5,843,683	675,852	6,519,535
4,618,610	72,308	4,690,918
7,424,303	177,595	7,601,898
11,939,873	519,177	12,459,050
38,750		38,750
75,487		75,487
35,253		35,253
<b>41,215,113</b>	<b>4,308,174</b>	<b>45,523,287</b>
<b>10,846,351</b>	<b>(422,906)</b>	<b>10,423,445</b>
2,774,840		2,774,840
(2,950,505)		(2,950,505)
4,958,372	41,601	4,999,973
(11,738,464)		(11,738,464)
352,326		352,326
4,541,383		4,541,383
1,965,674		1,965,674
137,145		137,145
<b>40,771</b>	<b>41,601</b>	<b>82,372</b>
10,887,122	(381,305)	10,505,817
8,431,597	186,327	8,617,924
(300,100)		(300,100)
<b>19,018,619</b>	<b>(194,978)</b>	<b>18,823,641</b>
5,120,188	233,380	5,353,568
<b>24,138,807</b>	<b>38,402</b>	<b>24,177,209</b>
<b>114,527,287</b>	<b>3,325,959</b>	<b>117,853,246</b>
<b>\$ 138,666,094</b>	<b>\$ 3,364,361</b>	<b>\$ 142,030,455</b>

Combined Statement of Cash Flows -  
All Proprietary Fund Types, Nonexpendable Trust Funds  
and Discretely Presented Component Units

City of Manchester, New Hampshire  
Year Ended June 30, 2001

	Proprietary Fund Type Enterprise	Nonexpendable Fiduciary Fund Type Trusts	Total (Memorandum Only)	Manchester Transit Authority	Total Reporting Entity (Memorandum Only)
<b><u>Cash Flows from Operating Activities</u></b>					
Cash received from customers	\$48,243,717		\$48,243,717	\$2,424,654	\$50,668,371
Contributions		\$ 250,518	250,518	1,695,166	1,945,684
Cash payments for goods and services	(13,849,978)	226,613	(13,623,365)	(788,016)	(14,411,381)
Cash payments to employees for services	(9,126,671)		(9,126,671)	(2,768,126)	(11,894,797)
Other operating revenues	284,531		284,531		284,531
<b>Net Cash Provided by Operating Activities</b>	<b>25,551,599</b>	<b>477,131</b>	<b>26,028,730</b>	<b>563,678</b>	<b>26,592,408</b>
<b><u>Cash Flows from Non-Capital and Related Financing Activities</u></b>					
Amounts from federal & state governments for soundproofing	2,774,840		2,774,840		2,774,840
Soundproofing related expenses	(2,950,505)		(2,950,505)		(2,950,505)
Passenger and customer facility charges	6,503,719		6,503,719		6,503,719
Short-term cash advance from City	(4,226,007)	(300,100)	(4,526,107)		(4,526,107)
<b>Net Cash Provided (Used) by Non-Capital &amp; Related Financing Activities</b>	<b>2,102,047</b>	<b>(300,100)</b>	<b>1,801,947</b>		<b>1,801,947</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Proceeds from State of New Hampshire Revolving Fund	7,494,682		7,494,682		7,494,682
Reimbursement of bond interest expenses	352,326		352,326		352,326
Principal paid on bonds	(7,927,467)		(7,927,467)		(7,927,467)
Interest paid on bonds	(10,805,714)		(10,805,714)		(10,805,714)
Contributed capital by federal, state & local governments	5,861,562		5,861,562	(4,791)	5,856,771
Acquisition and construction of capital assets	(50,255,268)		(50,255,268)	(537,285)	(50,792,553)
<b>Net Cash Used in Capital &amp; Related Financing Activities</b>	<b>(55,279,879)</b>		<b>(55,279,879)</b>	<b>(542,076)</b>	<b>(55,821,955)</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Purchase of investment securities	724,130	(1,052,902)	(328,772)		(328,772)
Proceeds from sale and maturities of investment securities	(99,131)	269,972	170,841		170,841
Investment management fee		(18,376)	(18,376)		(18,376)
Interest and dividends from investments	5,159,005	541,156	5,700,161	41,601	5,741,762
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>5,784,004</b>	<b>(260,150)</b>	<b>5,523,854</b>	<b>41,601</b>	<b>5,565,455</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(21,842,229)</b>	<b>(83,119)</b>	<b>(21,925,348)</b>	<b>63,203</b>	<b>(21,862,145)</b>
Cash and cash equivalents at beginning of period	99,446,093	621,308	100,067,401	1,181,926	101,249,327
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$77,603,864</b>	<b>\$ 538,189</b>	<b>\$78,142,053</b>	<b>\$1,245,129</b>	<b>\$79,387,182</b>
<b><u>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</u></b>					
Operating income (loss)	\$10,704,832	\$ 141,519	\$10,846,351	\$ (422,906)	\$10,423,445
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Depreciation and amortization	11,939,873		11,939,873	519,177	12,459,050
Investment income (loss)		513,340	513,340		513,340
Interest income (loss)		(558,034)	(558,034)		(558,034)
Investment management fee		35,254	35,254		35,254
Non-operating revenue	137,145		137,145		137,145
<b><u>Change in Assets and Liabilities</u></b>					
Decrease in receivables	221,715	4,202	225,917	234,901	460,818
Decrease in inventories	93,906		93,906	86,845	180,751
(Increase) Decrease in prepaid expenses and other assets	(1,588,731)		(1,588,731)	45,543	(1,543,188)
Increase in accounts payable	3,845,043		3,845,043	5,351	3,850,394
Increase (Decrease) in accrued and other liabilities	116,535		116,535	14,566	131,101
Increase in compensated absences	82,956		82,956	80,550	163,506
Increase (Decrease) in Deferred Revenue	25,564		25,564	(349)	25,215
Increase (Decrease) in interfund liabilities	(27,239)	340,850	313,611		313,611
<b>Net Cash Provided by Operating Activities</b>	<b>\$25,551,599</b>	<b>\$ 477,131</b>	<b>\$26,028,730</b>	<b>\$ 563,678</b>	<b>\$26,592,408</b>

See accompanying notes.



**General Fund  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual (Budget Basis)**

**City of Manchester, New Hampshire  
Year Ended June 30, 2001**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b><u>Revenues</u></b>			
Taxes	\$ 58,407,397	\$ 57,853,185	\$ (554,212)
Federal and state grants and aid	6,602,383	6,536,719	(65,664)
Nonenterprise charges for sales and services	3,625,590	3,898,497	272,907
Licenses and permits	16,874,713	18,432,863	1,558,150
Interest	1,700,000	2,255,766	555,766
Other	9,450,830	7,942,319	(1,508,511)
<b>Total Revenues</b>	<b>96,660,913</b>	<b>96,919,349</b>	<b>258,436</b>
<b><u>Expenditures</u></b>			
Current:			
General government	21,192,757	17,549,103	3,643,654
Public safety	31,827,262	31,637,877	189,385
Health and sanitation	2,503,716	2,414,535	89,181
Highway and streets	19,914,099	19,672,454	241,645
Welfare	1,379,197	1,379,195	2
Education	2,302,570	2,197,153	105,417
Parks and recreation	3,240,013	2,956,188	283,825
Debt service:			
Principal retirement	10,287,693	10,287,693	
Interest	3,586,006	3,586,005	1
<b>Total Expenditures</b>	<b>96,233,313</b>	<b>91,680,203</b>	<b>4,553,110</b>
<b>Excess of revenues over expenditures</b>	<b>427,600</b>	<b>5,239,146</b>	<b>4,811,546</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Operating transfers in	350,000	350,100	100
Operating transfers out	(2,577,600)	(2,532,600)	45,000
<b>Total Other Financing Sources (Uses)</b>	<b>(2,227,600)</b>	<b>(2,182,500)</b>	<b>45,100</b>
<b>Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (1,800,000)</b>	<b>\$ 3,056,646</b>	<b>\$ 4,856,646</b>

See accompanying notes.

**Statement of Changes in Net Assets  
Available for Benefits  
Pension Trust and Discretely Presented Component Unit**

**City of Manchester, New Hampshire  
Year Ended December 31, 2000  
and June 30, 2001**

	<b>Primary Government Old System June 30, 2001</b>	<b>Discretely Presented Component Unit New System Dec 31, 2000</b>
Additions:		
Investment Income:		
Interest		\$ 898,439
Dividends		1,823,841
Net realized and unrealized appreciation in fair value of investments		140,385
Less investment expense		(424,240)
Net investment income	-	2,438,425
Contributions:		
Employer	\$ 2,034,197	716,240
Employee		1,242,679
Total contributions	2,034,197	1,958,919
Total Additions	2,034,197	4,397,344
Deductions:		
Benefits paid directly to participants	2,034,197	3,920,871
Refunds of employee contributions		155,951
Administrative expenses		588,663
Total deductions	2,034,197	4,665,485
Net Increase (Decrease)	-	(268,141)
Net assets available for benefits, beginning of year	-	93,302,993
Net assets available for benefits, end of year	\$ -	\$ 93,034,852

See accompanying notes

**NOTES TO  
GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies**

The general purpose financial statements of the City of Manchester (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units.

**A. Reporting Entity**

The City was incorporated in June of 1846 and operates as a municipal corporation governed by an elected mayor and a fourteen (14) member aldermanic board. The City's general purpose financial statements include all entities for which the City is financially accountable, and other organizations of the City for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board ("GASB") Statement 14 has set forth criteria to be considered in determining financial accountability. This criteria includes whether the City, as the primary government, has appointed a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

The City has four component units – Manchester School District, Manchester Development Corporation, Manchester Transit Authority and the City of Manchester Employees' Contributory Retirement System. Using the criteria of GASB Statement 14, management determined that the Manchester Development Corporation should be blended into the primary government, the Manchester School District, the Manchester Transit Authority and the City of Manchester Employees' Contributory Retirement System should be discretely presented. The nature and relationship of the City's component units are disclosed in the following sections.

*Blended Component Units*

Manchester Development Corporation ("MDC") - The MDC was created by the Board of Mayor and Aldermen ("BMA") as a public corporation for the purpose of developing economic opportunities for the City. The MDC Board of Directors is comprised of twelve (12) members, all of whom shall be nominated by the Mayor and confirmed by the Board of Aldermen of the City. The MDC is a blended component unit reported in the Special Revenue Funds. Separate financial statements are not available.

*Discretely Presented Component Units*

Manchester School District ("District" or "MSD") - The MSD is responsible for elementary and secondary education within the government's jurisdiction. The members of the school board are elected by the voters. However, the District is fiscally dependent upon the government as the government's BMA approves the District's budget, levies taxes (if necessary) and must approve any debt issuances. Other independent auditors audited the MSD, a June 30 year-end, and their report, dated November 20, 2001, has been issued under separate cover. The District is presented as a governmental fund type.

Manchester Transit Authority ("MTA") - The MTA was created by the BMA to provide a public transportation system for the citizens of the City. A five-member board appointed by the BMA oversees the MTA. Other independent auditors audited the MTA, a June 30 year-end, and their report, dated September 19, 2001, has been issued under separate cover. The MTA is presented as a proprietary fund type.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

City of Manchester Employees' Contributory Retirement System (the "New System") - The New System was created by the BMA for the purpose of administering the assets of the employees' contributory retirement system. The New System's Board of Trustees consists of seven members, as follows: the City Finance Officer, the Mayor, one person appointed by the Board of Aldermen, two citizens of the City - one appointed by the Mayor, one elected by the New System members and two New System members also elected by the New System members. Other independent auditors audited the New System, a December 31 year end, for the year ended December 31, 2000, and their report, dated April 9, 2001, has been issued under separate cover. The New System is presented as a pension trust fund.

Complete financial statements of the individual component units may be obtained directly from their administrative offices.

Manchester School District 196 Bridge Street Manchester NH 03104	Manchester Transit Authority 110 Elm Street Manchester NH 03101-2799	City of Manchester Employees' Contributory Retirement System 1838 Elm Street Manchester NH 03104
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**B. Basis of Presentation - Fund Accounting**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable or available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate "fund types". The City has the following fund types and account groups:

**Governmental Fund Types**

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in certain trust funds). The measurement focus is based upon determination of changes in financial position and the flow of current financial resources. Following are the City's governmental fund types:

General Fund - The General Fund is the general operating fund of the City and operates under a legal budget. It is used to account for all financial resources not accounted for in other prescribed funds and account groups.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or designated for specific functions or activities (not including expendable trusts or major capital projects).

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of capital assets other than those financed by proprietary funds.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

**Proprietary Fund Types**

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus of proprietary funds is upon determination of net income, financial position, and cash flow (economic resources measurement focus). The Enterprise Funds are included in this category.

Enterprise Funds - The City uses enterprise funds to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is for the costs of providing goods or services to the general public on a continuing basis be recovered or financed primarily through user charges.

*Regulatory Authorities*

Water Works, the City's water department uses guidelines for water utility accounting set forth by the New Hampshire Public Utilities Commission. Certain operations of Water Works are subject to regulation with respect to accounting and rates established by the New Hampshire Public Utilities Commission.

The City has implemented Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." This Statement provides guidance on the applicability of accounting pronouncements from other standards setting organizations. The City's proprietary funds must apply all GASB pronouncements and the following pronouncements issued before November 30, 1989 unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures. In addition, the City has elected to apply those applicable pronouncements issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

**Fiduciary Fund Types**

Fiduciary fund types account for assets held by the City as a trustee or agent. Fiduciary funds include agency funds, expendable trust funds, and nonexpendable trust funds.

Agency Fund – The Agency fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals or other governmental units and/or other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operation.

Expendable Trust Funds - The measurement focus of the expendable trust funds is the same as the governmental funds. Expendable trust funds account for assets where both the principal and interest may be spent.

Nonexpendable Trust and Pension Trust Funds - The measurement focus is similar to proprietary funds. Nonexpendable trust funds account for assets of which the principal may not be spent.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

**Account Groups**

In addition to the three broad types of governmental funds, the City also maintains two account groups as described below:

General Fixed Assets - Property and equipment acquired by the City in the performance of its operations, other than operations accounted for in the Proprietary Fund Type and the Trust Funds, are reflected in the General Fixed Assets Account Group.

General Long-Term Debt - The General Long-Term Debt account group is used to account for general government unmatured, long-term, general obligation bonds payable, compensated absences, insurance claims, supplemental retirement benefits, capital appreciation bonds, net pension obligations, and landfill closure and post-closure costs. Payments of principal and interest on long-term debt are recorded in the general fund and the MSD.

**C. Basis of Accounting**

Governmental funds, the expendable trust fund and the agency fund are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Revenues susceptible to accrual are property taxes, licenses, interest, and charges for services. The government considers property taxes as available if they are collected within 60 days after year-end. Likewise, the City records a general fund liability for tax abatements and refunds issued within 60 days after year-end. Fines, permits, and parking meter revenues are not susceptible to accrual, because they are generally not measurable until received.

Expenditures are generally recognized under the modified accrual basis of accounting when the liability is incurred. Exceptions to this general policy are: (1) principal and interest on general long-term debt which is recognized when paid; and (2) compensated absences, net pension obligation claims and landfill closure costs which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Certain federal grants, made on the basis of entitlement periods, are recorded as receivables and revenues when the entitlement occurs. Other federal grants made on a reimbursement basis are recorded as receivables and revenues when the related expenditures are incurred.

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

Proprietary fund types, pension trust funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred (flow of economic resources measurement focus).

**Pension Trust Funds:** Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

**Governmental Funds:** The net pension obligation, the cumulative difference between annual pension cost and the City's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 27 and is recognized in the General Long-Term Debt Account Group. Expenditures are recognized when they are paid or are expected to be paid with current available resources.

**Funding Policy:** The City makes contributions at the discretion of management.

**D. Cash and Cash Equivalents**

New Hampshire Revised Statutes Annotated ("RSA") Chapter 48:16 ("RSA 48:16"), as amended, establishes the policy the City must adhere to when investing City funds. With approval of the BMA, the Finance Officer, acting as Treasurer, may invest in obligations of the United States government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire ("the State"), in participation units of the New Hampshire Public Deposit Investment Pool ("NH-PDIP"), in certificates of deposit of banks incorporated under the laws of the State, or in national banks located in New Hampshire or the Commonwealth of Massachusetts. RSA 48:16 does not allow the City to enter into reverse repurchase agreements.

Investments are stated at fair value based on quoted market rates.

The City's cash and cash equivalents represent short-term investments with an initial maturity of three months or less. The MDC's investments consist primarily of United States Treasury Notes and certificates of deposits. MDC may invest in marketable securities.

**E. Restricted Cash and Cash Equivalents**

Restricted cash includes retainage amounts due to contractors upon completion of various construction projects where contractual third party restrictions exist. Also included in the restricted cash are deposits made by surrounding towns based on intermunicipal agreements with the Environmental Protection Division (wastewater facility), as well as restricted amounts resulting from bond covenants for the 1992 State Guaranteed Airport Revenue Bonds, the 1998 General Airport Revenue Bonds and the 2000 General Airport Revenue Bonds.



**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

**F. Restricted Investments**

The proceeds of the 1992 State Guaranteed Airport Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by a Loan and Trust Agreement. The “bond fund” is used to segregate resources accumulated for debt service payments on the given maturity dates. The “bond reserve account” is used to report resources set aside to make up potential future deficiencies in the bond fund. The “operation and maintenance reserve account” is established for purposes of reporting revenues. The “renewal and replacement account” is established to set aside resources to meet unanticipated or emergency repairs. The “coverage account” is established by the Airline Agreement for purposes of reserving additional protection to meet all bond coverage requirements. A “rebate fund” also would be used to report any excess of interest earned on nonpurpose investments (as defined in Section 148 of the Internal Revenue Code of 1986, as amended).

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items.

**H. Inventories**

Inventory for the Highway Department is recorded at cost on a first-in, first-out basis. The remaining cost of inventories in governmental fund types is recorded as expenditures when purchased (“Purchase Method”). The Environmental Protection Division (“EPD”) Fund, Water Works Fund and Aggregation Fund are the only enterprises that record inventories. Inventories in these enterprise funds are stated at the lower of cost (First-in, First-out method) or market.

**I. Property and Equipment**

*General Fixed Assets* - Property and equipment used in governmental fund type operations are recorded at historical cost if purchased or constructed. Assets received through donation are recorded at estimated fair value as of the date of donation. Assets are capitalized and considered property and equipment if they have a value greater than \$5,000 and a useful life greater than or equal to three (3) years. Assets in the General Fixed Assets account group are not depreciated. All school buildings are property of the City.

Infrastructure assets are fixed assets that are immovable and are only of value to the government. Infrastructure assets consist of roads and bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Infrastructure assets are not capitalized and therefore are excluded from the General Fixed Assets account group.

*Construction in Progress* - Construction projects financed by general obligation bonds, excluding those supported by proprietary fund revenues, are recorded as expenditures in the Capital Project Fund. Incomplete capital projects are recorded in the General Fixed Assets account group as construction-in-progress. Incomplete proprietary projects are recorded as construction-in-progress (a component of property and equipment) in the respective fund.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

*Proprietary Fund Fixed Assets* - Property and equipment in the enterprise funds are recorded at cost, or if donated, at estimated fair value on the date received. The funds capitalize assets with values greater than \$5,000 (\$10,000 for Aviation) and a useful life greater than or equal to three (3) years.

Assets acquired by the enterprise funds are subject to depreciation. Each enterprise fund is responsible for the accounting and recording of depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	15 to 60 years
Improvements	5 to 30 years
Equipment	5 to 15 years
Vehicles	3 to 10 years
Interceptors (EPD)	50 years

**J. Capitalized Interest**

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period. Net interest cost capitalized in the Environmental Protection Division Fund and Aviation Fund amounted to approximately \$1,410,000 for the year ended June 30, 2001.

**K. Compensated Absences**

The liability for compensated absences, which represents the City's commitment to fund such costs from future operations, is reported in the General Long-term Debt account group. The liability reported as compensated absences includes vested and accumulated vacation leave and sick leave benefits that are not expected to be liquidated with current fiscal year available financial resources. Vested or accumulated vacation and sick leave of the enterprise funds are recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick-pay benefits. However, a liability is recognized for that portion of accumulating sick-leave benefits that it is estimated will be taken as terminal leave prior to retirement.

**L. Insurance**

The City is self-insured for health care claims, workers' compensation and general liability. Workers' compensation, general liability claims, and health insurance premiums are recorded in the General Fund and other applicable funds as expenditures. Health care claims in excess of premiums are recorded as expenditures in the General Fund. At year end all claims settled but unpaid are recorded as liabilities in the General Fund and estimated liabilities for claims incurred but not reported and claims not settled are reflected in the General Long-term Debt account group. The liability is established based on independent actuarial studies that consider the City's past loss experience and current trends.

In addition, health insurance coverage similar to that available to other City employees is available to retirees at their own expense.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

**M. Advances / Non-current Receivables**

Advances/non-current receivables to and advances from governmental funds represent non-concurrent portions of receivables and payables. The governmental fund making the advance/non-current receivables establishes a fund balance reserve equal to the amount of the advance. The General Fund and Capital Projects Fund, both governmental funds, have made such advances to the Aggregation Fund and the Manchester Housing and Redevelopment Authority concerning the Civic Center, respectively.

**N. Revenue Stabilization**

Per City Ordinance, Section 35.084, a revenue stabilization reserve account was established in the General Fund. At the close of each fiscal year, one-half of any General Fund operating surplus shall be transferred by the Finance Officer to a special nonlapsing revenue stabilization reserve account.

In the event of a General Fund operating deficit at the close of any fiscal year, the Finance Officer shall notify the BMA of such deficit and request that sufficient funds, to the extent available, be transferred from the revenue stabilization reserve account to eliminate such deficit. Such a transfer shall be requested only when both of the following conditions have been met:

- (i) A General Fund operating deficit occurred for the most recently completed fiscal year; and
- (ii) Unrestricted General Fund revenues in the most recently completed fiscal year were less than the budget forecast.

The amount of said transfer requested shall not exceed a sum equal to the lower of the amount of the deficit in subparagraph (i) or the revenue shortfall in subparagraph (ii). Upon receipt of approval from the BMA, the Finance Officer shall immediately transfer the sums so approved to the General Fund undesignated fund balance.

No available balance in the revenue stabilization reserve account shall be utilized for any purpose other than those authorized above, and without the specific approval of two-thirds of the aldermen elect.

If, after all the requirements have been met and the balance in the revenue stabilization reserve account is in excess of an amount equal to 5 percent of the actual General Fund and School District, operating expenditures for the most recently completed fiscal year, then such excess shall be transferred, without further action, to the General Fund unrestricted fund balance.

**O. Capital Contributions**

The Government Accounting Standards Board, (GASB) issued Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions" which established accounting and financial reporting transactions involving financial or capital resources. Prior to July 1, 2000, accounting principles generally accepted in the United States of America allowed enterprise funds to increase equity directly with no effect on the statement of revenue and expenses for contributed capital. Subsequent to July 1, 2000, enterprise funds must account for capital contributions through the statement of revenue and expenses.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

**P. Interfund Transactions**

During the course of operations, numerous transactions occur between individual funds including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers, which are included in the results of operations of both governmental and proprietary funds. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

**Q. Long-Term Debt**

The City reports long-term debt of governmental funds in the General Long-term Debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the General Long-term Debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds for proprietary funds, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method for issuance and the effective interest method for premiums and discounts. Bond payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

**R. Investment Income**

Income earned on investments in the Capital Projects Fund and most special revenue funds is recorded as income of the General Fund.

**S. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

**T. Total (“Memorandum Only”) Columns**

Total columns on the combined financial statements captioned “Memorandum Only” have been added to certain statements for the primary government and the reporting entity. The total columns include interfund activity and are not comparable to consolidated financial statements, but are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. The primary government includes the blended component units and all funds, organizations, account groups, agencies, boards, commissions and authorities that are not legally separate from the City. The reporting entity includes the primary government and its component units.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**1. Summary of Significant Accounting Policies (continued)**

**U. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

**V. Land Held for Resale**

The City holds property for resale. The carrying value of this property includes the purchased price plus the cost of any improvements. When the property is sold the cost of the portion sold is charged to expenditure.

**W. Fund Equity**

Fund Balances of governmental fund type, expendable and pension trust funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

**Reserved fund balance** - indicates that portion of fund equity which has been legally segregated for specific purposes.

**Designated fund balance** - indicates that portion of fund equity for which the City has made tentative plans.

**Undesignated and unreserved fund balance** - indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

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**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**2. Stewardship, Compliance and Accountability**

**A. Budgets and Budgetary Accounting**

Pursuant to the City's Charter, Section 6.01, the City adopts an annual budget for all General Fund functions and certain enterprise functions (the Water Works enterprise fund operates on a nonappropriated budgetary basis). The legal level of budgetary control is the department level. The special revenue and capital project funds are appropriated through a five-year capital improvement plan.

All portions of the annual City budget and the MSD budget are prepared under the direction of the Mayor. The Mayor establishes the procedures applicable to the preparation and adoption of the annual budget. Budgets include all proposed expenditures and the proposed use of all anticipated revenues. All departments, agencies, and officers submit detailed statements of departmental budget requests to the Mayor per established procedures.

The Mayor develops budget recommendations on appropriations and revenues and submits the recommendations to the BMA on or before the last day of March of each year. Departmental appropriations are made on a bottom-line basis. Benefits and non-departmental items are appropriated apart from the departmental budgets.

The Finance Committee of the BMA reviews the proposed budget recommendations presented by the Mayor. The BMA may increase, reduce or reject any item in the budget submitted by the Mayor. A public hearing is required to be conducted. A majority vote of the BMA is required to adopt the budget appropriation resolutions and is to be completed not later than the second Tuesday in June. The Mayor has line item veto authority.

If the BMA fail to adopt appropriation resolutions, the budget, as originally submitted by the Mayor, shall become the budget.

If during the fiscal year the Mayor certifies, after consultation with and verification by the Finance Officer, that there are available for appropriation revenues in excess of those estimated in the budget, the BMA may make supplemental appropriations for the year up to the amount of such excess, after observing the budget procedures set forth in section 6.04 of the City Charter. There were no additional appropriations during the year.

If at any time during the fiscal year it appears probable to the Mayor, after consultation with and verification by the Finance Officer, that the revenues or fund balances available will be insufficient to finance the expenditures for which appropriations have been authorized, the Mayor shall report to the BMA without delay, indicating the estimated amount of the deficit, any remedial action taken by the Mayor and recommendations as to any other steps to be taken. The BMA shall then take such further action as it deems necessary to prevent or reduce any deficit and for that purpose it may reduce one or more appropriations.

The legal level of control for budgetary is established by object categories within the departmental budgets. Departmental budget transfers from one object category to another must be approved by the Finance Officer prior to approval of the BMA. The Finance Officer is responsible for establishing controls related to the management and monitoring of the budget to prevent expenditures from exceeding budgeted appropriations.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**2. Stewardship, Compliance and Accountability (continued)**

Encumbrance accounting is employed in governmental funds. On the GAAP basis, encumbrances (e.g. purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

The City employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statements of Revenues and Expenditures - Budgetary Basis, presents the "actual" results to provide a comparison with the budgets.

The major differences between the budgetary basis and the GAAP basis are:

- (a) Tax revenues are recorded when invoiced (budgetary), as opposed to when susceptible to accrual (GAAP).
- (b) Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and contracts (encumbrances) issued for goods or services not received at year end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no firm liability exists.

**B. Budget/GAAP Reconciliation**

Reconciliation of the reported revenues and expenditures of the general fund between the budgetary basis and the GAAP basis are presented below:

	<u>Revenues</u>	<u>Expenditures</u>
Statement of revenues and expenditures and changes in fund balance - budgetary basis	\$ 96,919,349	\$ 91,680,203
Current year encumbrances		(1,003,139)
State retirement contributions	610,070	610,070
Tax revenues of 2000 recognized in 2001	2,292,542	
Tax revenues of 2001 deferred until 2002	(1,517,671)	
Expenditures of prior year encumbrances		984,310
Statement of revenues, expenditures and changes in fund balances (in conformity with GAAP)	<u>\$ 98,304,290</u>	<u>\$ 92,271,444</u>

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**3. Cash, Cash Equivalents and Investments**

**Primary Government**

Cash and cash equivalents consist of the following types of accounts at June 30, 2001.

Restricted Deposits	\$ 7,914,223
Deposits	5,000,964
(1) Repurchase Agreements	53,858,230
(1) Money Market / Index Funds	35,243,561
(1) NH - PDIP Unclassified	30,453,400
(1) MDC - Vanguard	65,579
	<u>\$ 132,535,957</u>

(1) See categorization under investments

The City pools substantially all cash, except for separate cash accounts, which are maintained in accordance with legal restrictions.

Written contracts relative to third party holders of collateral or establishing each party's rights with regard to repurchase agreements are entered into by the City. Banks through which repurchase notes are written maintain their collateral in an investment book entry account with the Federal Reserve. For certain contracts collateral is separate from the bank's assets, while for other contracts it is not separate. Repurchase agreements are entered into only with financial institutions; no brokers or dealers are involved in these transactions. The following tables present collateral information for the City's deposits for all funds.

Category A: Fully insured or collateralized with securities held by the City or its agent in the City's name.

Category B: Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category C: Uncollateralized

	Category			Total Bank	Carrying
	A	B	C	Balance	Amount
Pooled Deposits					
Demand deposits	\$ 10,167,048		\$ 9,570	\$ 10,176,618	\$ 5,000,964
Restricted Deposits	7,881,146		33,077	7,914,223	7,914,223
Total Deposits	<u>\$ 18,048,194</u>	<u>\$ -</u>	<u>\$ 42,647</u>	<u>\$ 18,090,841</u>	<u>\$ 12,915,187</u>



**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**3. Cash, Cash Equivalents and Investments (continued)**

In accordance with GASB Statement 3, investments are classified as to risk by the three categories described below:

- Category 1: Insured or registered in the City's name, or securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counter-party or by its trust department or agent but not in the City's name.

	Category			Carry and Fair Value
	1	2	3	
Investments				
US Treasury Notes		\$ 1,656,645		\$ 1,656,645
US Government Securities			\$ 14,560,880	14,560,880
Corporate Bonds			584,461	584,461
Common Stocks			1,459,458	1,459,458
Equity Funds (1)				683,262
Sub-Total	-	1,656,645	16,604,799	18,944,706
Restricted Investments		10,942,545		10,942,545
Total Investments	\$ -	\$ 12,599,190	\$ 16,604,799	\$ 29,887,251
Cash Equivalents				
Repurchase Agreements		\$ 53,858,230		\$ 53,858,230
Non-Categorized Items				
Index Funds				35,243,561
NH - PDIP Unclassified				30,453,400
MDC - Vanguard				65,579
Total Cash Equivalents	\$ -	\$ 53,858,230	\$ -	\$ 119,620,770
Grand Total	\$ -	\$ 66,457,420	\$ 16,604,799	\$ 149,508,021

- (1) Funds are not subject to cash classification because specific securities related to the City cannot be identified.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**3. Cash, Cash Equivalents and Investments (continued)**

**Component Units**

The following tables categorize the cash and cash equivalents, and investments of the City's component units.

	<u>Total Bank Balance</u>	<u>Carrying and Fair Value</u>
<b><u>Manchester School District</u></b>		
Demand deposits *	\$ 11,437,150	\$ 11,149,343
Total	<u>\$ 11,437,150</u>	<u>\$ 11,149,343</u>
<b><u>Manchester Transit Authority</u></b>		
Demand deposits *	\$ 107,561	\$ 1,245,129
Repurchase Agreements **	1,030,543	
Total	<u>\$ 1,138,104</u>	<u>\$ 1,245,129</u>
<b><u>Contributory Retirement System</u></b>		
Equity funds (1)		\$ 77,656,483
Fixed Income ***		12,210,529
Emerging Market Funds (1)		1,729,292
CBM Inc. ***		860,300
Cash & Equivalents *		804,961
Total at December 31, 2000		<u>\$ 93,261,565</u>

\* Amounts are collateralized as Category A as defined above.

\*\* Amounts are classified as Category 2 as defined above.

\*\*\* Amounts are recorded at fair value and applicable investments are categorized in Category 3 as defined above.

(1) Funds are not subject to cash classification because specific securities related to the City cannot be identified.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**4. Taxes and Abatements**

The principle tax of the City is the tax on real property. The State has no cap or limit as to the rate or amount of tax a municipality may raise. The municipality's annual property tax rate is established by the Commissioner of the Department of Revenue Administration of the State, based on reports filed with the State. A single tax is levied for general, county and school purposes. The "assessment year" for taxing purposes runs from April 1 to March 31 of the following year.

The City bills and collects its property taxes in two installments. The levy dates are June 1 and November 1 and the due dates for these semi-annual tax billings are July 1 and December 1. Property taxes are recorded as a receivable when billed, net of estimated allowance for abatements. Property tax revenues have been recorded using the modified accrual basis of accounting as described in Note 1.

Real property (land and buildings) is subject to a lien for the taxes assessed upon it (subject to any paramount federal lien and subject to bankruptcy and insolvency laws). The City places a lien on delinquent property taxes prior to May 1 of the following assessment year. From the date of the tax lien, a two-year period of redemption is allowed the owner, during which time payment of taxes, interest and costs will be accepted and the lien released.

Interest accrues on delinquent taxes at a rate of 12 percent per annum from the due date to the date of payment. During the redemption period, 18 percent interest per annum is charged. Beyond the two-year period of redemption the City has the right to foreclose on properties for which taxes have not been paid. Properties are deeded to the City unless either the lien has been sold by the City, or the City has notified the tax collector that it will not accept the deed because acceptance could result in liability under environmental statutes imposing strict liability on owners. Except for any paramount federal lien and subject to bankruptcy and insolvency laws, tax liens take precedence over all other liens, and tax collector's deeds are free and clear of all encumbrances.

In December 1997, the New Hampshire Supreme Court declared that the property tax to fund education is a State tax, and therefore must be administered in a manner that is equal in valuation and uniform in rate throughout the State.

Chapter 17 of the Laws of 1999 became effective in 1999. The law includes a definition of "adequate education" for New Hampshire schools and establishes an "Education Trust Fund" and a formula for providing state financial assistance to local school districts.

The primary means of State funding for the Education Trust fund is a uniform statewide property tax under which some of the levies from more prosperous ("property rich" or "donor") communities will be collected by the State and redistributed to less affluent ("property poor" or "recipient") school districts. The law established a uniform tax rate of \$6.60 per thousand of total equalized value (not including utility property or local exemptions). The new state aid property tax is assessed and collected in virtually the same manner in which property taxes have been administered in the past with one primary exception, donor communities will be required to send amounts in excess of what is required locally for an adequate education to the State for redistribution to recipient districts. The MSD is a recipient district.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**5. Receivables**

**Primary Government**

General fund receivables at June 30, 2001, consisted of the following:

Due from Warrants	\$ 13,539,581
Due from State of New Hampshire	2,432,784
Prior year tax liens	801,498
Tax titles	1,726,117
Other	1,206,231
	<u>\$ 19,706,211</u>

Special Revenue Fund receivables consisted of amounts due from state and federal agencies for various grant programs.

**Enterprise funds**

Enterprise fund receivables at June 30, 2001, consisted of the following:

Due from federal government under reimbursement type grants	\$ 3,857,271
Due from State of New Hampshire and other governmental entities	8,233,584
Accounts receivable-trade	4,245,732
Other	2,846,435
	<u>\$ 19,183,022</u>

The receivables from the State of New Hampshire and other governmental entities represent their contractual commitment to reimburse the City for the repayment of debt incurred to build its wastewater treatment and related facilities.

**Component Units**

Component Units receivables at June 30, 2001, consisted of the following:

	<u>MSD</u>	<u>MTA</u>
Accounts receivable - Charges for Services	\$ 3,338,302	\$ 225,476
Other	-	602,564
	<u>\$ 3,338,302</u>	<u>\$ 828,040</u>

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**6. Interfund Receivables and Payables**

Due from/to other funds consist of the following at June 30, 2001:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency	\$ 1,181,107
	Special Revenue:	
	CDBG	107,953
	Other grants	38,788
	Capital Projects	2,519,254
	Non-Expendable Trust-Cemetery	340,850
	Expendable Trust-Old Pension System	877,074
	Aggregation advances	<u>1,721,117</u>
		6,786,143
Special Revenue:		
Other grants	Expendable Trust	66,000
Water Works	Expendable Trust	<u>365,316</u>
	Total - All Funds	<u><u>\$ 7,217,459</u></u>

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**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**7. Property and Equipment**

**Primary Government**

Changes in the General Fixed Assets account group for the year ended June 30, 2001, were as follows:

	Balance 30-Jun-00	Additions	Retirements	Transfers	Balance 30-Jun-01
Land	\$ 15,043,050		\$ (569)		\$ 15,042,481
Buildings	106,658,913	\$ 47,467	(18,659,508)	\$ 14,380,969	102,427,841
Improvements other than buildings	8,167,088				8,167,088
Equipment	4,853,947	154,307	(21,056)		4,987,198
Vehicles	14,158,754	666,431	(270,100)		14,555,085
Construction-in-Progress	24,588,220	3,214,318		(14,380,969)	13,421,569
Total General Fixed Assets	<u>\$ 173,469,972</u>	<u>\$ 4,082,523</u>	<u>\$ (18,951,233)</u>	<u>\$ -</u>	<u>\$ 158,601,262</u>

**Enterprise Fund**

Property and equipment in the Enterprise Funds at June 30, 2001, consisted of the following:

Land	\$ 10,302,543
Buildings	204,354,138
Improvements other than buildings	51,224,344
Interceptors and equipment	94,264,986
Construction-in-Progress	<u>183,907,167</u>
Total Fixed Assets	544,053,178
Less accumulated depreciation	<u>(125,454,182)</u>
	<u>\$ 418,598,996</u>

**Discretely Reported Component Units**

Property and equipment in the Component Units at June 30, 2001, consisted of the following:

	Balance 30-Jun-00	Additions	Retirements	Balance 30-Jun-01
<b><u>Manchester School District</u></b>				
Equipment & Vehicles	<u>\$ 9,167,644</u>	<u>\$ 648,072</u>	<u>\$ (349,023)</u>	<u>\$ 9,466,693</u>
<b><u>Manchester Transit Authority</u></b>				
Land				\$ 129,109
Buildings				1,807,598
Equipment				7,056,674
Total Fixed Assets				<u>8,993,381</u>
Less accumulated depreciation				<u>(6,559,925)</u>
				<u>\$ 2,433,456</u>

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**8. General Long-Term Debt**

**Primary Government**

The debt service requirements of the City's outstanding general obligation bonds, revenue bonds and notes payable at June 30, 2001 are as follows:

General Long-Term Debt account group:

Fiscal year	Capital Appreciation	Principal	Interest	Total
2002	\$ 921,685	\$ 16,392,562	\$ 4,752,906	\$ 22,067,153
2003	719,629	14,011,942	6,563,158	21,294,729
2004	414,226	12,760,678	6,292,429	19,467,333
2005		11,845,578	6,060,652	17,906,230
2006		8,267,149	2,732,303	10,999,452
Thereafter to Maturity		47,592,534	13,990,416	61,582,950
Total General Long-Term Debt Account Group	<u>\$ 2,055,540</u>	<u>\$ 110,870,443</u>	<u>\$ 40,391,864</u>	<u>\$ 153,317,847</u>

Enterprise funds:

Fiscal year	Principal	Interest	Total
2002	\$ 9,223,383	\$ 12,797,674	\$ 22,021,057
2003	9,479,753	12,404,146	21,883,899
2004	9,602,039	12,016,945	21,618,984
2005	9,183,584	11,610,150	20,793,734
2006	8,823,758	11,224,806	20,048,564
Thereafter to maturity	213,997,600	133,741,460	347,739,060
Debt Service Requirement	260,310,117	193,795,181	454,105,298
Less Bond Discount	(3,349,991)		(3,349,991)
Total Enterprise Funds	<u>\$ 256,960,126</u>	<u>\$ 193,795,181</u>	<u>\$ 450,755,307</u>

Interest rates for the City's outstanding bonds range from 3.80% to 8.875%. At June 30, 2001 the City's legal debt limit was \$411,368,152. Authorized, but unissued, bonds for June 30, 2001 were \$134,152,099, of which approximately \$77,222,099 was for Enterprise Funds. Authorized, unissued bonds for June 30, 2001 include \$50,000,000 for General Airport Revenue Bond - Refunding and \$22,000,000 for Pension Obligation Bonds, with the balance dedicated for various infrastructure improvements, among the most significant being the Sanitary Landfill Closure in the amount of \$12,100,000. The full faith, credit and revenue-raising powers of the City have been pledged to secure these bonds.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**8. General Long-Term Debt (continued)**

For June 30, 2001 an amount of \$5,988,117 was recorded in the General Long-term Debt account group for the accretion of interest on the capital appreciation bonds.

During the year ended June 30, 2001, the following changes occurred in long-term liabilities reported in the General Long-term Debt account group and the enterprise funds:

General Long-term Debt Account Group

	Balance 30-Jun-00	Additions/ Accretions	Reductions	Balance 30-Jun-01
Bonds payable - City	\$ 79,721,971		\$ 11,687,692	\$ 68,034,279
Bonds payable - MSD	47,672,597		4,836,433	42,836,164
Compensated absences	4,344,576	\$ 913,080		5,257,656
Insurance claims	4,980,643		303,079	4,677,564
Capital appreciation bonds	5,118,233	869,884		5,988,117
Net Pension Obligations	207,430	156,790		364,220
Landfill closure and post-closure care	19,500,176	431,728		19,931,904
	<u>\$ 161,545,626</u>	<u>\$ 2,371,482</u>	<u>\$ 16,827,204</u>	<u>\$ 147,089,904</u>
Enterprise Funds:				
General Obligation Debt	\$ 37,655,951	\$ 13,801,633	\$ 4,882,467	\$ 46,575,117
Revenue Bonds, net of unamortized Original Issue Discount	213,213,342		2,828,333	210,385,009
	<u>\$ 250,869,293</u>	<u>\$ 13,801,633</u>	<u>\$ 7,710,800</u>	<u>\$ 256,960,126</u>

The EPD Fund has five loan agreements with original principal balances amounting to \$37,658,478 with the State of New Hampshire, State Water Pollution Control Revolving Fund (SRF) program for the purpose of financing certain projects in connection with the expansion of the wastewater treatment facility and water pollution abatement project. The remaining principal due as of June 30, 2001 totaled \$30,685,134.

Additionally, several projects are currently utilizing the services of the SRF. These projects are in various stages of the construction or completion phase of the project. Four of the DES eligible projects are classified as EPD Enterprise, while the single exception, the Sanitary Landfill Closure carries a general fund genre. Total indebtedness unamortized as of June 30, 2001 is \$13,745,988, comprised of \$7,625,084 and \$6,120,904, for EPD and CSO projects, and for the Sanitary Landfill Closure, respectively.

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. On June 30, 2001 \$2,415,000 of bonds outstanding are considered defeased.



**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**8. General Long-Term Debt (continued)**

**Manchester Housing and Redevelopment Authority**

In March 2000, the Manchester Housing and Redevelopment Authority, New Hampshire the ("MHRA") issued \$49,772,909 in revenue bonds to construct the Manchester Civic Center. The MHRA is a public body, corporate and politic, established pursuant to Chapter 203 of the New Hampshire Revised Statutes. The MHRA does not meet the definition of a component unit of the City under GASB No. 14.

For the purpose of repaying the MHRA for the cost of financing the Civic Center Project, the MHRA and the City entered into a Financial Agreement. The Financial Agreement stipulates that the Mayor will include an appropriation request in the annual budget submission to the BMA, payable from the Meals and Rooms Taxes imposed by the State and paid to the City in excess of \$454,927 in each fiscal year in an amount sufficient to pay the installment payments required. There is, however, no assurance that the BMA will appropriate such funds on an annual basis or that sufficient Meals and Rooms Taxes collected by the City will cover the debt service requirements of the MHRA Revenue Bonds. The Revenue Bonds do not represent or constitute indebtedness of the City of Manchester.

Upon completion of the Civic Center, the City which is the owner of the site, will lease back the Civic Center from the MHRA , and will be obligated to pay rent under the lease with the MHRA.

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**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**9. Equity and Other Credits**

Under terms of the agreements, principal and interest are payable in annual installments commencing within a stated period subsequent to the completion of the project. The loan agreements have terms ranging from five to twenty years with interest rates ranging from 1.3% to 4.2%.

**Primary Government**

The changes in the governments' contributed capital and retained earnings accounts for its proprietary funds were as follows:

	Contributed Capital	Retained Earnings		Total
		Reserved	Unreserved	
Balance June 30, 2000	\$ 128,232,604	\$ 14,561,461	\$ 84,611,037	\$ 227,405,102
Net income			19,177,200	19,177,200
Transfer		4,694,581	(4,694,581)	-
Depreciation of assets funded by user contributions and grants	(5,120,188)		5,120,188	-
Balance June 30, 2001	<u>\$ 123,112,416</u>	<u>\$ 19,256,042</u>	<u>\$104,213,844</u>	<u>\$ 246,582,302</u>

In accordance with the 1992 State Guaranteed Airport Revenue Bonds and the 1998 General Airport Revenue Bond and the FAA, \$18,432,575 has been designated in the Aviation Fund. In addition, EPD and Water Works have designated \$184,858 and \$638,609 respectively for future equipment and insurance.

**Component Units**

The changes in the governments' contributed capital accounts and fund equity for proprietary component units were as follows:

	Contributed Capital	Fund Balance Reserved	Retained Earnings		Total
			Reserved	Unreserved	
Balance June 30, 2000	\$ 1,180,318	\$93,302,993	\$1,576,938	\$1,749,021	\$97,809,270
Net income		(268,141)	62,090	(23,688)	(229,739)
Depreciation of assets funded by user contributions and grants	(233,380)				(233,380)
Balance June 30, 2001	<u>\$ 946,938</u>	<u>\$93,034,852</u>	<u>\$1,639,028</u>	<u>\$1,725,333</u>	<u>\$97,346,151</u>

Reserved fund balance represents \$93,034,852 for employee retirement benefits and reserved retained earnings represents \$1,639,028 for bus replacements.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**10. Employee Benefit Plans**

All full-time employees of the City participate in one of the City's pension plans or the New Hampshire Retirement System ("NHRS").

***City Plans***

The vast majority of employees of the City participate in the City's pension plan known as the New System. Certain employees of the City participate in a prior pension plan known as the Old System. In addition, a limited number of former police and fire department employees covered by the NHRS also qualify for supplementary benefits that are administered and paid for by the City.

***New System***

In 1974, the City established a single-employer public employee retirement system (the "New System") to provide pension benefits to employees other than firefighters, police officers, teachers and employees previously covered under the "Old System" described below. Manchester School District administration employees are covered under this plan.

All covered employees hired after January 1, 1974 are required to participate in the New System as a condition of employment. Employees are 100% vested after five years of service. The retirement benefit is calculated at 1-1/2% of average total compensation during the highest three years of service in the last ten years of service (hereafter average compensation), multiplied by the years of service prior to January 1, 1999 plus 2% after January 1, 1999 of average compensation multiplied by the years of service after January 1, 1999. There is a minimum benefit of 50% of average compensation for employees hired prior to January 1, 1974 who complete 20 years of service and attain age 62 before retirement or have combined age and years of service over specified amounts. All eligible employees are required to contribute 2-1/2% of their salaries to the New System prior to January 1, 1999 and 3-3/4% of their salaries after January 1, 1999. If an employee leaves covered employment or dies before five years of service, accumulated employee contributions and earnings thereon at rates determined annually by the New System Board of Trustees (5%, for the periods ended June 30, 2001 and 2000) are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. Benefit provisions and contribution requirements are established by the City and may be amended only by the BMA, subject to approval of the voters of the City through referendum.

Membership in the Plan consisted of the following at December 31, 2000, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	458
Terminated vested members	71
Current employees	
Vested	687
Nonvested	440
Total Participants	<u>1,656</u>

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**10. Employee Benefit Plans (continued)**

The City's plans, by policy, (i) require annual actuarial valuations, with yearly updates, and (ii) require annual City contributions based on actuarial determinations. During the year of actuarial valuation, the City has historically contributed the annual required contribution ("ARC") of the pension plan. Any difference between the ARC and the actual contribution made has been settled by the next actuarial valuation date, and thus the City has never actually had, or had need to report, a net pension obligation ("NPO").

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2000	\$ 713,685	100 %
1999	796,552	100
1998	514,216	100
1997	543,835	100
1996	504,328	100
1995	1,006,237	100

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Unfunded Actuarial Accrued Liability (Surplus) (b)	Actuarial Accrued Liability (c)	Funded Ratio (a)/(c)	Covered Payroll (prior year)
12/31/00	\$ 90,144,513	\$ (3,049,404)	\$ 87,095,109	103.5 %	\$ 35,370,961
12/31/99	82,584,305	(3,263,538)	79,320,767	103.0	29,581,577
12/31/98	72,569,967	(1,494,444)	71,075,523	102.1	28,255,208
12/31/97	65,839,177	(4,296,452)	61,542,725	107.0	26,961,375
12/31/96	59,838,164	(3,121,758)	56,716,406	105.5	24,418,320
12/31/95	55,546,837	(2,973,375)	52,573,462	105.7	23,320,343

Investments are reported at fair value based on quoted market rates. Investment income is recognized as earned. Gains and losses on sales and exchange of investments are recognized on the transaction date.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2001
Mortality:	The 1983 Group Annuity Mortality Table
Actuarial Cost Method:	Entry Age
Investment Return:	7.5% per year compounded annually, net of expenses
Compensation Increases:	Under 35 – 5.5%; 35 to 49 – 5%; 50 and over – 4.5%
Amortization Method:	Level percentage closed
Asset Valuation Method:	5 year smoothed market
Inflation Rate:	4.5%
Remaining Amortization Period:	8 years, closed

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**10. Employee Benefit Plans (continued)**

***Old System***

Prior to January 1, 1974, all eligible City employees participated in the Old System, a single employer contributory public employee retirement system (PERS). All employees hired before January 1, 1974 were given the option to remain in the Old System or participate in the New System. The Old System was replaced by the New System and only operates to cover the remaining participants. All employees covered under the Old System are fully vested. Benefits under the Old System are limited to retirement benefits without death benefits to survivors. The City does not fund costs of this plan on an actuarial basis. Benefits are recognized as expenditures of the General Fund on a pay-as-you-go basis. At June 30, 2001, the Old System membership consisted of:

Members currently receiving benefits	152
Active Vested Members	<u>24</u>
Total Members	<u>176</u>

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year ended June 30	Annual required contributions	Percentage contributed *
2001	\$ 2,196,055	92.6 %
2000	2,158,104	93.4
1999	2,048,811	96.8
1998	1,728,000	100.0
1997	1,713,000	100.0
1996	1,999,000	100.0

The City's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$2,196,055
Interest on net pension obligation	15,557
Adjustment to annual required contribution	<u>(20,625)</u>
Annual pension cost	2,190,987
Less contributions made	<u>(2,034,197)</u>
Increase in net pension obligation	156,790
Net pension obligation beginning of year	207,430
Net pension obligation end of year	<u><u>\$ 364,220</u></u>

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**10. Employee Benefit Plans (continued)**

Three year trend information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2001	\$ 2,211,612	92.6 %	\$ 364,220
6/30/2000	2,156,650	93.4	207,430
6/30/1999	2,048,811	96.8	66,359

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) P.U.C.	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/2001	\$ -	\$ 21,262,936	\$ 21,262,936	0.00 %	\$ 1,009,090	2,107.14 %
07/01/2000	-	22,085,349	22,085,349	0.00	1,097,032	2,013.19
07/01/1999	-	22,269,566	22,269,566	0.00	1,326,886	1,678.33
07/01/1998	-	22,453,076	22,453,076	0.00	1,417,158	1,584.37
07/01/1997	N/A	N/A	N/A	N/A	N/A	N/A
07/01/1996	-	23,028,460	23,028,460	0.00	1,557,720	1,478.34

Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2001
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	17 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	7.50 %
Projected salary increases	4.50 %

***NHRS Related Supplementary Benefits Plan***

The City pays supplementary benefits of up to 50% of the last annual wage for any City employee who participates in the NHRS, was hired before June 30, 1972, and does not receive a pension benefit from the NHRS equal to at least 50% of the last annual wage. These costs are accounted for on a pay-as-you-go basis in the general fund.

At June 30, 2001, the membership consisted of:

Members currently receiving benefits	<u>58</u>
--------------------------------------	-----------

***New Hampshire Retirement System***

The City contributes to the NHRS a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The NHRS provides retirement and disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The NHRS issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 4 Chennel Drive, Concord, New Hampshire 03301-8509.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**10. Employee Benefit Plans (continued)**

NHRS members are required to contribute between 3.86% and 9.30% of annual covered compensation to the pension plan. The City makes annual contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100-A:16 and ranges from 2.18% to 4.87% of covered compensation.

The City's contributions to the system, consisting of firefighters and police officers, for the year ended June 30, 2001, 2000, and 1999 were \$1,201,022, \$1,024,022, and \$1,148,295 respectively and were equal to the required contributions. The City has recognized both revenue and expenditures of \$610,070 on behalf of contributions made by the State to the NHRS.

**11. Segment Information**

**Primary Government**

The City maintains five enterprise funds: Water Works Fund, EPD Fund, Aviation Fund, Recreation Fund and the Aggregation Fund, which provide water, sewer, airport, recreational services, and energy services respectively.

	Water Works Fund	EPD Fund	Aviation Fund	Recreation Fund	Aggregation Fund	Total
Operating revenues	\$ 9,498,831	\$ 10,989,457	\$ 29,166,572	\$ 2,099,859	\$ 15,736	\$ 51,770,455
Depreciation/amortization	2,099,515	3,909,696	5,462,083	376,945	91,634	11,939,873
Operating income (loss)	385,924	951,238	9,795,246	(211,695)	(215,881)	10,704,832
Net income (loss)	1,771,382	3,951,500	13,790,871	(21,541)	(315,012)	19,177,200
Capital contributions	1,897,332	2,300,403	4,047,332	186,530	-	8,431,597
Property additions, net	1,829,652	2,566,559	34,090,679	205,328	(7,809)	38,684,409
Net working capital	70,511,624	142,960,325	311,720,036	4,159,624	293,922	529,645,531
Bonds and notes payable	8,951,455	36,344,462	210,385,009	1,199,200	80,000	256,960,126
Receivables	1,325,949	11,745,655	5,893,009	204,209	14,200	19,183,022
Total equity	59,757,652	96,648,629	88,983,298	2,731,659	(1,538,936)	246,582,302
Total assets	70,728,648	142,960,325	311,782,018	4,159,624	293,922	529,924,537
Due to other funds	-	-	-	-	1,721,117	1,721,117

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**12. Contingent Liabilities and Insurance**

There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Solicitor and other City officials, liabilities arising from these claims and legal actions, if any, will not be significant.

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be significant.

The City's insurance coverage consists of both self-insured programs and policies maintained with various carriers. Coverage has not been materially reduced nor have settled claims exceeded commercial coverage in any of the past three years.

Changes in the balances of claims liabilities recorded by the City during the past two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2001	\$5,935,793	\$5,589,905	\$6,037,429	\$5,488,269
2000	5,559,000	6,791,793	6,455,000	5,935,793

**Accident and Health**

Accident and health claims are administered through a private carrier. The City is self-insured under this program. The City has recorded \$810,705 in the General Fund for claim liabilities at year end.

**Property**

Property insurance is maintained with a commercial insurer and provides for a deductible of \$100,000 for each claim and an overall coverage limit of \$100,000,000.

**General Liability**

Liability claims are administered through a private carrier. The City is self-insured under this program, except for the Aviation Fund which maintains a liability insurance policy which provides coverage generally up to \$100,000,000 for each occurrence and in the aggregate in any one annual period of insurance. State law generally limits a city's liability for an incident to \$150,000 per individual and \$500,000 per incident. \$2,077,242 was recorded in the General Long-term Debt account group for fiscal year 2001 as the City's estimated liabilities for unsettled claims.

**Worker's Compensation**

Worker's compensation claims are administered through a private carrier. The City is self-insured under this program for all City employees. \$2,508,988 for 2001 was recorded in the General Long-term Debt account group as the City's estimated liability for all types of claims incurred in 2001 or prior, which have not been settled.



**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**12. Contingent Liabilities and Insurance (continued)**

**Manchester School District**

The MSD self insures against claims for workers compensation and most employee health coverage. Changes in the aggregate liability for claims for the year ended June 30, 2001 are as follows:

Claim Liability, July 1, 2000	\$ 676,736
Claims incurred	8,824,252
Claims paid	<u>(8,600,742)</u>
Claim Liability, June 30, 2001	\$ <u>900,246</u>

**Department of Aviation**

The DA has comprehensive airport liability insurance policies with insurance companies, which provide coverage generally up to \$100,000,000 for each occurrence and in the aggregate in any one annual period of insurance. Claims are subject to a deductible of \$1,000 for each occurrence up to a maximum of \$5,000 during any one annual insurance period.

Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**Regulatory**

The City was issued an Administrative Order against it by the United States Environmental Protection Agency (EPA), ordering the City to evaluate and plan for appropriate treatment of combined sewer over flows pursuant to the Federal Clean Water Act. The City believes it is in compliance with the Administrative Order and is working with Federal and State authorities in dealing with combined sewer overflows from its publicly-owned treatment works. As of June 30, 2001, there is no pending claim by the EPA or the State.

**13. Landfill Closure and Postclosure Care Costs**

State and federal laws and regulations required the City to place final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stopped accepting waste, the City reports a portion of these closure and postclosure costs as an operating expense in each period based on landfill capacity used as of the balance sheet date. The \$19,931,904 reported as landfill closure and postclosure care liability at June 30, 2001 represents the cumulative amount reported to date based on use of 100 percent of the estimated capacity of the landfill. The City closed the landfill on June 28, 1996. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City anticipates that the funding for the landfill closure costs will be provided through the issuance of general obligation bonds.

**14. Fund Deficit**

As of June 30, 2001, the CDBG, Capital Projects, and the Aggregation funds had fund deficits in the amounts of \$97,989, \$1,611,374, and \$1,538,936, respectively.

The City anticipates financing the deficits through future revenues.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**15. Issued but Not Effective Accounting Pronouncements**

GASB has issued several statements which will be applicable for implementation by the City. Statements No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments," No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus," and No. 38, "Certain Financial Statement Note Disclosures," will effect the City of Manchester, based on its revenues, for the fiscal year beginning July 1, 2001. These statements, summarized below, impose new standards for financial reporting. Management has not yet completed their assessment of this statement, however, it will have a material effect on the overall financial statement presentation for the City.

The new financial statement guidelines embodied in the statements are the culmination of many years of study and deliberation by the GASB.

For the first time, financial managers will be required to share their insights in a management's discussion and analysis (MD&A) that gives readers an analysis of the government's overall financial position and results of the previous year's operations.

Financial statements will be presented under a dual perspective - a government-wide perspective (new) and a fund level perspective. For the first time, the annual report will include government-wide financial statements prepared using full accrual accounting for all of the government's activities, not just those that cover costs by charging a fee for services, as was previously required. Governments will report all capital assets, including infrastructure, in a government-wide statement of net assets and will report depreciation expense, the cost of using up capital assets, in the statement of activities. Infrastructure assets will be reported, but may not be required to be depreciated under certain circumstances. The net assets of a government will be broken down into three categories: invested in capital assets, net of related debt; restricted; and unrestricted. A statement of activities will be presented in at least the same level of detail provided in the governmental fund statements; generally, expenses and program revenues by function. Program expenses will include all direct expenses; governments that allocate overhead and other indirect expenses to individual programs will show the allocation in a separate column. Special and extraordinary items will be reported separately from other revenue and expenses. This way, users will see if the government's conventional, recurring revenues and expenses balance.

Statement No. 34 requires governments to continue to present fund level financial statements with information about funds. The focus of these fund-based statements has been sharpened, however, by requiring governments to report information about their most important or major funds (those whose revenues, expenditures/expenses, assets, or liabilities are at least 10% of the total for their fund category or type (governmental or enterprise) and at least 5% of the aggregate amount for all governmental and enterprise funds), including a government's general fund. Fund-based statements for governmental activities (generally, those supported by tax revenues) will continue to report the flow of current financial resources (generally, cash and other assets that can easily be converted to cash). To help users understand and assess the relationship between fund-based and government-wide financial statements, governments will present a summary reconciliation that will show the interplay between the two types of statements.

**City of Manchester, New Hampshire**  
**Notes to General Purpose Financial Statements**  
**June 30, 2001**

**15. Issued but Not Effective Accounting Pronouncements (continued)**

Governments will continue to provide budgetary comparison information as required supplementary information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

**16. Restatement – Manchester School District**

Fund balances for the Manchester School District at July 1, 2000 were restated to give a combined retroactive effect for prior period adjustments for the General Fund and Special Revenue Funds. The net effect was a decrease of \$1,439,710 in fund balances.

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**COMBINING FINANCIAL  
STATEMENTS AND SCHEDULES**

**CITY OF MANCHESTER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2001**

**General Fund** - to account for all revenues and expenditures of the City which are not accounted for in the other funds. Revenues are primarily derived from property taxes, other local taxes, licenses, permits and fees, and state and federal grants.

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**General Fund  
Comparative Balance Sheets**

**City of Manchester, New Hampshire  
June 30, 2001**

	<u>2001</u>	<u>2000</u>
<b><u>Assets</u></b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 47,172,252	\$ 28,476,185
Restricted cash and cash equivalents	339,921	1,061,092
Investments	1,500,529	9,075,038
Receivables, net of allowances for collection losses	19,711,618	6,552,023
Prepaid items		7,237
Due from other funds	6,786,143	7,603,097
Inventories	464,191	536,124
<b>Total Assets</b>	<b><u>\$ 75,974,654</u></b>	<b><u>\$ 53,310,796</u></b>
<b><u>Liabilities and Fund Equity</u></b>		
<b>Liabilities</b>		
Accounts and warrants payable	\$ 3,714,479	\$ 1,207,594
Accrued liabilities	1,785,017	968,246
Insurance claims payable	810,705	955,150
Due to Manchester School District	7,832,218	4,478,862
Deferred revenue	17,755,361	6,829,021
Taxes collected in advance	24,385,060	22,025,049
Other		1,005,406
<b>Total Liabilities</b>	<b><u>56,282,840</u></b>	<b><u>37,469,328</u></b>
<b>Fund Equity</b>		
Fund balances		
Designated for		
Workers' compensation	624,424	437,753
Health insurance	1,610,823	274,855
General liability insurance	1,452,818	1,508,207
Reserved for		
Encumbrances	1,032,741	1,090,113
Inventory	464,191	536,124
Advances	1,721,117	1,538,038
Revenue stabilization	9,008,623	8,235,090
Unreserved		
Undesignated fund balance	3,777,077	2,221,288
<b>Total Fund Equity</b>	<b><u>19,691,814</u></b>	<b><u>15,841,468</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 75,974,654</u></b>	<b><u>\$ 53,310,796</u></b>

**General Fund  
Comparative Statements of Revenues,  
Expenditures and Changes in Fund Balances**

**City of Manchester, New Hampshire  
Year Ended June 30, 2001**

	<u>2001</u>	<u>2000</u>
<b><u>Revenues</u></b>		
Taxes	\$ 58,628,056	\$ 60,190,452
Federal and state grants and aid	7,146,789	7,302,746
Nonenterprise charges for sales and services	3,898,497	3,615,039
Licenses and permits	18,432,863	16,212,440
Interest	2,255,766	2,548,473
Other	7,942,319	6,655,281
<b>Total Revenues</b>	<b>98,304,290</b>	<b>96,524,431</b>
<b><u>Expenditures</u></b>		
Current:		
General government	17,384,526	17,751,003
Public safety	32,148,521	29,689,148
Health and sanitation	2,620,250	2,304,060
Highway and streets	19,717,326	18,505,080
Welfare	1,401,741	1,213,010
Education	2,184,410	3,049,175
Parks and recreation	2,940,972	2,790,074
Debt service:		
Principal retirement	10,287,693	9,370,788
Interest	3,586,005	3,967,702
Issue Costs		183,795
<b>Total Expenditures</b>	<b>92,271,444</b>	<b>88,823,835</b>
<b>Excess of revenues over expenditures</b>	<b>6,032,846</b>	<b>7,700,596</b>
<b><u>Other Financing Sources (Uses)</u></b>		
Proceeds of refunding bonds		4,286,068
Payment to refunded bond escrow agent		(4,252,111)
Operating transfers in	350,100	350,100
Operating transfers out	(2,532,600)	(2,610,467)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,182,500)</b>	<b>(2,226,410)</b>
Excess of revenues and other financing sources over expenditures and other financing uses	3,850,346	5,474,186
<b>Fund Balance, beginning of year</b>	<b>15,841,468</b>	<b>10,367,282</b>
<b>Fund Balance, end of year</b>	<b>\$ 19,691,814</b>	<b>\$ 15,841,468</b>

General Fund  
Schedule of Revenues and Operating Transfers in -  
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Taxes</u></b>			
Property tax	\$ 55,661,697	\$ 55,559,952	\$ (101,745)
Boat tax	50,000	42,713	(7,287)
Cable franchise fee	1,340,000	1,018,892	(321,108)
Cost on deferred tax	40,000	35,195	(4,805)
Cost on tax title	30,000	33,316	3,316
Interest on tax	350,000	299,559	(50,441)
Interest on tax lien	650,000	577,493	(72,507)
Railroad tax	5,700	5,693	(7)
Tax lien	50,000	73,645	23,645
Yield tax	-	3,593	3,593
Central Business District	230,000	203,134	(26,866)
<b>Total Taxes</b>	<b>58,407,397</b>	<b>57,853,185</b>	<b>(554,212)</b>
<b><u>Federal and State Grants and Aid</u></b>			
CIP/federal capital	197,000	146,456	(50,544)
Emergency preparedness		12,000	12,000
FEMA		100,812	100,812
Highway block grant	1,452,671	1,509,084	56,413
Landfill closure	25,562	25,562	
Lieu of tax - Carpenter Center	60,062	57,007	(3,055)
Lieu of tax - MHRA	144,501	149,719	5,218
Lieu of tax - other	206,947	201,608	(5,339)
Medicare reimbursement	90,000	(90,000)	(180,000)
Meals & rooms tax	454,927	454,927	
Revenue Sharing Distribution	3,955,713	3,955,713	
Traffic reimbursement	15,000	13,831	(1,169)
<b>Total Federal and State Grants and Aid</b>	<b>6,602,383</b>	<b>6,536,719</b>	<b>(65,664)</b>

(continued)



General Fund  
Schedule of Revenues and Operating Transfers in -  
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire  
Year Ended June 30, 2001  
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Nonenterprise Charges for Sales and Services</u></b>			
Cemetery - Care of lot and grave	\$ 8,510	\$ 10,538	\$ 2,028
Cemetery - Cement container	18,000	30,971	12,971
Cemetery - Internment	50,000	106,795	56,795
Cemetery - Sale of grave lot	8,000	14,400	6,400
Cemetery - Sale of mausoleum	18,500	13,494	(5,006)
City Clerk - Certified record	150,000	206,527	56,527
City Clerk - Certified record, state share	(89,910)	(134,956)	(45,046)
City Clerk - Forfeiture Dog License	10,000	11,075	1,075
City Clerk - Late fee	3,500	2,705	(795)
City Clerk - Newspaper ad income	500		(500)
City Clerk - Political filing fee	50		(50)
City Clerk - UCC financing statement	50,000	49,043	(957)
Finance - Wage assignment fee	1,200	1,823	623
Fire - Alarm permit	183,000	207,885	24,885
Fire - Central station monitoring	18,700	25,535	6,835
Fire - Day care inspection	2,000	2,025	25
Fire - False alarm	111,695	88,418	(23,277)
Fire - Hazardous inspection fee	20,850	5,200	(15,650)
Fire - Review of life safety code plan	1,500	2,000	500
Fire - Sprinkler system review	2,000	3,250	1,250
Fire - Standby fee	300	1,125	825
Fire - Telephone dialer fee	400	750	350
Health - Day care health inspection	1,000	750	(250)
Health - HTLV testing and counseling	27,000	2,424	(24,576)
Health - Immunization reimbursement	2,000	4,090	2,090
Health - STD clinic test fee		1,976	1,976
Highway - Bid fee	700	2,769	2,069
Highway - Delay rent on landfill	6,000	9,199	3,199
Highway - Drop-off Center	400,000	471,815	71,815
Highway - Grade certification	1,500	1,220	(280)
Highway - Inspection fee	20,000	8,886	(11,114)
Highway - Maintenance	2,500	2,762	262

General Fund  
Schedule of Revenues and Operating Transfers in -  
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire  
Year Ended June 30, 2001  
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Nonenterprise Charges for</u></b>			
<b><u>Sales and Services (Continued)</u></b>			
Highway - Sewer tap fee	\$ 35,300	\$ 33,100	\$ (2,200)
Highway - Wellington sewer recovery		(6,834)	(6,834)
Human resources - Examination fee	50,000	7,950	(42,050)
Information systems - Department supplies	725	9,820	9,095
Parks - Concessions, rentals, bids	1,000	2,485	1,485
Parks - Softball fee	1,000	1,070	70
Planning - Site plan fee	52,000	85,275	33,275
Planning - Sub-Division fee	15,000	10,575	(4,425)
Planning - Zoning variance	27,000	21,960	(5,040)
Police/Fire - Accident/investigation report	66,500	56,171	(10,329)
Police - Auction	10,000	44,355	34,355
Police - Bicycle fee	200	249	49
Police - Booting fee	7,500	10,330	2,830
Police - Building violation fine	10,000	15,750	5,750
Police - Court parking fine	7,000	5,085	(1,915)
Police - District court fine	36,000	30,197	(5,803)
Police - Dog pound fee	15,000	80	(14,920)
Police - Expired meter parking ticket	720,000	789,429	69,429
Police - Extra detail administrative	67,200	56,037	(11,163)
Police - Fingerprint	9,000	6,370	(2,630)
Police - Photograph sale	7,100	2,918	(4,182)
Police - Record check		1,785	1,785
Police - Towing fine	5,000	1,795	(3,205)
Police - Witness fee	135,100	85,797	(49,303)
Tax collector - Fee duplicate tax receipt	3,000	2,752	(248)
Tax collector - Motor vehicle title fee	44,000	53,361	9,361
Tax collector - Municipal agent fee	175,000	181,411	6,411
Traffic - Parking downtown meters & reserve	1,060,120	1,177,398	117,278
Traffic - Parking meter hoods revenue	8,000	22,771	14,771
Various - Bounced check fee	10,700	9,208	(1,492)
Various - Research fee	10,850	16,064	5,214
Various - Photocopy	6,800	9,289	2,489
<b>Total Nonenterprise Charges for</b>			
<b>Sales and Services</b>	<b><u>3,625,590</u></b>	<b><u>3,898,497</u></b>	<b><u>272,907</u></b>

General Fund  
Schedule of Revenues and Operating Transfers in -  
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire  
Year Ended June 30, 2001  
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Licenses and Permits</u></b>			
Tax collector - Auto registration	\$ 11,700,000	\$ 13,040,961	\$ 1,340,961
Building - Certificate of compliance	125,000	222,569	97,569
Building - Building permit	839,900	1,174,417	334,517
Building - Electric permit	130,000	146,692	16,692
Building - Elevator permit	500	973	473
Building - Heating permit	85,000	79,378	(5,622)
Building - Plumbing permit	35,000	48,939	13,939
Building - Sign permit	14,000	20,787	6,787
Building - Yard sale permit	5,000	3,609	(1,391)
City Clerk - Amusement license	5,000	5,146	146
City Clerk - Dog license	43,000	42,190	(810)
City Clerk - Dog license, state share	(4,500)	(4,719)	(219)
City Clerk - Employment office license	500	373	(127)
City Clerk - Marriage license	40,000	45,450	5,450
City Clerk - Marriage license, state share	(33,900)	(37,886)	(3,986)
City Clerk - Mechanical device license	180,000	207,381	27,381
City Clerk - Peddler license	7,000	7,063	63
City Clerk - Second hand license	2,000	2,546	546
City Clerk - Sunday permit	80,000	78,368	(1,632)
City Clerk - Taxi license	17,000	11,842	(5,158)
Health - Bathing facility permit	5,000	5,100	100
Health - Food permit	121,000	116,030	(4,970)
Health - Septic permit	4,000	2,910	(1,090)
Highway - Encumbrance permit	3,000	3,780	780
Highway - Excavation permit	70,000	58,200	(11,800)
Highway - Pipe layer certification	500	900	400
Highway - Reclamation trust fund	280,000	290,736	10,736
Highway - Road Resurfacing	527,000	550,238	23,238
Police - Alarm permit	32,305	46,330	14,025
Police - Blasting permit	300	700	400
Police - Game of chance license	100	100	
Police - Gun permit	8,000	3,860	(4,140)
Police - Place of assembly permit	25,000	28,100	3,100
Police - Towing license	15,400	14,670	(730)
Traffic - Parking lease	2,512,608	2,215,130	(297,478)
<b>Total Licenses and Permits</b>	<b><u>16,874,713</u></b>	<b><u>18,432,863</u></b>	<b><u>1,558,150</u></b>
<b><u>Interest</u></b>			
Income from invested funds	<u>1,700,000</u>	<u>2,255,766</u>	<u>555,766</u>

General Fund  
Schedule of Revenues and Operating Transfers in -  
Budget and Actual (Budget Basis)

City of Manchester, New Hampshire  
Year Ended June 30, 2001  
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Other Revenues</u></b>			
Building - Restitution from prior year	\$ 1,400	\$ 2,449	\$ 1,049
Building - Administration	1,000	(141)	(1,141)
Building - Sale of code	1,550	1,836	286
City Clerk - Building rent	13,200	13,140	(60)
City Solicitor - Worker's comp. reimb.	238,404	239,900	1,496
Finance - Airport reimbursement	50,000	59,339	9,339
Finance - Debt Recovery Livingston Park	25,000	25,000	
Finance - Debt Recovery Riverfront Stadium	72,780	73,980	1,200
Finance - Land sale		26,130	26,130
Health - HTLV education reimbursement	48,000	71,800	23,800
Health - Immunization reimbursement	-	30,052	30,052
Health - Lead Poisoning	25,000	26,376	1,376
Health - STD reimbursement	25,000	29,749	4,749
Health - TB reimbursement	25,000	86,827	61,827
Health audit recoveries	2,000,000	91,927	(1,908,073)
Highway - Fuel reimbursements	3,000	9,639	6,639
Highway - Sewer Maintenance WWTP		8,565	8,565
Highway / Traffic - Scrap metal and salvage	6,250	6,722	472
Human Resources - ESP program		1,151	1,151
MEDO - Tower leases	40,000	40,000	
MEDO - Wall St. Tower refinance	50,263	50,263	
Police - Cruiser rental	5,000	2,459	(2,541)
Police - Employee Benefits	35,000	3,340	(31,660)
Police - Recycling	100	21	(79)
Tax collector - Excess receipt		95,716	95,716
Traffic - Repair traffic signals admin.	6,700	407	(6,293)
Traffic - Repair traffic signals labor	7,500	(2,109)	(9,609)
Various - Data processing	37,600	48,205	10,605
Various - Maps, prints, etc.	10,000	9,819	(181)
Various - Miscellaneous	26,600	122,947	96,347
Various - Reimbursement O/T salary	33,783	31,829	(1,954)
Various - Telephone reimb.	1,000	3,835	2,835
Welfare - Benefit recoveries	20,000	49,345	29,345
MSD chargebacks	6,641,700	6,681,801	40,101
<b>Total Other Revenues</b>	<b><u>9,450,830</u></b>	<b><u>7,942,319</u></b>	<b><u>(1,508,511)</u></b>
<b>Total Revenues</b>	<b><u>\$ 96,660,913</u></b>	<b><u>\$ 96,919,349</u></b>	<b><u>\$ 258,436</u></b>
Operating transfers in	350,000	350,100	100
<b>Total Operating Transfers in</b>	<b><u>350,000</u></b>	<b><u>350,100</u></b>	<b><u>100</u></b>
<b>Total Revenues and Operating Transfers in</b>	<b><u>\$ 97,010,913</u></b>	<b><u>\$ 97,269,449</u></b>	<b><u>\$ 258,536</u></b>

General Fund  
Statement of Expenditures, Encumbrances and  
Other Financing Uses - Budget and Actual (Budget Basis)

	Salaries & Wages	Employee Benefits	Purchased Professional Services	Purchased Property Services	Other Purchased Services
<b>General Government</b>					
Aldermen	\$ 69,387	\$ 45,900			
Assessors	397,196	59,792		\$ 5,143	\$ 12,106
Building	836,303	175,477		4,134	22,256
City Clerk	563,495	124,892	\$ 26,215	15,987	122,793
City Solicitor	606,131	281,550	15,009		313,669
Civic Contribution					
Conservation					1,089
Economic Development Office	179,892	31,896		360	18,542
Elderly Services	165,179	41,503		49,121	3,678
Finance	791,553	118,826	93,105	2,581	16,584
Information Systems	830,117	186,393	19,168	598,456	89,780
Mayor	192,330	40,175		270	8,927
MCTV	321,510				
Nondepartmental					
Non-city Program					
Human Resources	630,835	129,216	48,368	150	27,134
Planning	693,514	107,897	660	1,964	15,343
Public Buildings	634,293	136,061	3,636	289,211	3,219,517
Tax Collector	475,908	82,096	19,014	4,115	24,885
Youth Services	386,813	62,452	974	21,678	9,963
<b>Total General Government</b>	<b>7,774,456</b>	<b>1,624,126</b>	<b>226,149</b>	<b>993,170</b>	<b>3,906,266</b>
<b>Public Safety</b>					
Fire	11,779,566	2,602,039	16,669	295,099	96,226
Police	12,442,045	2,744,905	12,594	209,898	347,467
<b>Total Public Safety</b>	<b>24,221,611</b>	<b>5,346,944</b>	<b>29,263</b>	<b>504,997</b>	<b>443,693</b>
<b>Health and Sanitation</b>					
Health	1,811,331	416,860	22,653	85,359	28,909
<b>Total Health and Sanitation</b>	<b>1,811,331</b>	<b>416,860</b>	<b>22,653</b>	<b>85,359</b>	<b>28,909</b>
<b>Highway and Streets</b>					
Highway	7,976,472	1,851,501	5,481	4,266,791	218,272
Traffic	757,869	151,200	34,380	649,329	690,757
<b>Total Highway and Streets</b>	<b>8,734,341</b>	<b>2,002,701</b>	<b>39,861</b>	<b>4,916,120</b>	<b>909,029</b>
<b>Welfare</b>					
Welfare	431,812	82,418	5,738	52,052	7,981
<b>Total Welfare</b>	<b>431,812</b>	<b>82,418</b>	<b>5,738</b>	<b>52,052</b>	<b>7,981</b>
<b>Education</b>					
MSD					
Library	1,375,332	308,048		70,662	68,073
<b>Total Education</b>	<b>1,375,332</b>	<b>308,048</b>		<b>70,662</b>	<b>68,073</b>
<b>Parks and Recreation</b>					
Parks & Recreation	1,748,411	317,832	12,830	87,513	73,392
<b>Total Parks and Recreation</b>	<b>1,748,411</b>	<b>317,832</b>	<b>12,830</b>	<b>87,513</b>	<b>73,392</b>
<b>Debt Service</b>					
Principal retirement					
Interest					
<b>Total Debt Service</b>					
<b>Total Expenditures</b>	<b>46,097,294</b>	<b>10,098,929</b>	<b>336,494</b>	<b>6,709,873</b>	<b>5,437,343</b>
<b>Other Financing Uses</b>					
Community improvement program					
<b>Total Other Financing Uses</b>					
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 46,097,294</b>	<b>\$ 10,098,929</b>	<b>\$ 336,494</b>	<b>\$ 6,709,873</b>	<b>\$ 5,437,343</b>

Supplies & Materials	Capital Outlay	Miscellaneous	2001 Total Commitments	2001 Budget	Variance	2000 Total Commitments
\$ 3,470		\$ 4,139	\$ 115,287	\$ 115,669	\$ 382	\$ 119,317
6,664	\$ 764	2,068	481,846	509,307	27,461	517,904
15,389	27,272	40,950	1,047,666	1,093,216	45,550	982,392
19,537		23,684	936,993	971,644	34,651	922,918
		129,407	1,259,580	1,375,110	115,530	781,187
931		1,420	129,407	136,441	7,034	92,525
1,687	4,494	1,443	3,440	9,350	5,910	938
7,341		75	238,314	251,062	12,748	225,029
8,917	4,602	88,167	266,897	274,214	7,317	271,813
43,900	53,005	271	1,124,335	1,202,806	78,471	1,354,314
2,201			1,821,090	1,898,697	77,607	1,731,880
		3,490	243,903	255,937	12,034	223,409
		1,498,874	325,000	325,000		
		195,289	1,498,874	3,430,230	1,931,356	1,395,944
4,508	10,150	68,289	195,289	195,289		183,098
7,084		290	918,650	1,980,546	1,061,896	1,990,780
405,324	18,111	306,760	826,752	919,527	92,775	838,512
3,858		104	5,012,913	5,044,268	31,355	5,006,301
4,400	190	6,417	609,980	691,355	81,375	608,985
<b>535,211</b>	<b>118,588</b>	<b>2,371,137</b>	<b>492,887</b>	<b>513,089</b>	<b>20,202</b>	<b>405,621</b>
			<b>17,549,103</b>	<b>21,192,757</b>	<b>3,643,654</b>	<b>17,652,867</b>
376,784	124,449	49,245	15,340,077	15,446,252	106,175	14,192,067
457,482	12,946	70,463	16,297,800	16,381,010	83,210	14,863,828
<b>834,266</b>	<b>137,395</b>	<b>119,708</b>	<b>31,637,877</b>	<b>31,827,262</b>	<b>189,385</b>	<b>29,055,895</b>
16,927	3,250	29,246	2,414,535	2,503,716	89,181	2,298,756
<b>16,927</b>	<b>3,250</b>	<b>29,246</b>	<b>2,414,535</b>	<b>2,503,716</b>	<b>89,181</b>	<b>2,298,756</b>
1,419,298	46,357	1,090,786	16,874,958	17,020,644	145,686	15,436,746
510,113		3,848	2,797,496	2,893,455	95,959	2,827,077
<b>1,929,411</b>	<b>46,357</b>	<b>1,094,634</b>	<b>19,672,454</b>	<b>19,914,099</b>	<b>241,645</b>	<b>18,263,823</b>
2,782	5	796,407	1,379,195	1,379,197	2	1,249,759
<b>2,782</b>	<b>5</b>	<b>796,407</b>	<b>1,379,195</b>	<b>1,379,197</b>	<b>2</b>	<b>1,249,759</b>
374,807		231	2,197,153	2,302,570	105,417	850,000
<b>374,807</b>	<b>-</b>	<b>231</b>	<b>2,197,153</b>	<b>2,302,570</b>	<b>105,417</b>	<b>2,196,231</b>
280,094	51,949	384,167	2,956,188	3,240,013	283,825	2,829,362
<b>280,094</b>	<b>51,949</b>	<b>384,167</b>	<b>2,956,188</b>	<b>3,240,013</b>	<b>283,825</b>	<b>2,829,362</b>
		10,287,693	10,287,693	10,287,693		9,370,788
		3,586,005	3,586,005	3,586,006	1	3,967,702
		<b>13,873,698</b>	<b>13,873,698</b>	<b>13,873,699</b>	<b>1</b>	<b>13,338,490</b>
<b>3,973,498</b>	<b>357,544</b>	<b>18,669,228</b>	<b>91,680,203</b>	<b>96,233,313</b>	<b>4,553,110</b>	<b>87,735,183</b>
		2,532,600	2,532,600	2,577,600	45,000	2,610,467
		<b>2,532,600</b>	<b>2,532,600</b>	<b>2,577,600</b>	<b>45,000</b>	<b>2,610,467</b>
<b>\$ 3,973,498</b>	<b>\$ 357,544</b>	<b>\$ 21,201,828</b>	<b>\$ 94,212,803</b>	<b>\$ 98,810,913</b>	<b>\$ 4,598,110</b>	<b>\$ 90,345,650</b>



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**CITY OF MANCHESTER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2001**

**Special Revenue Funds** - to account for revenues legally restricted for specific expenditures.

**HUD Section 108 Fund** - to account for Housing Urban Development Section 108 programs.

**Cash Special Projects Fund** - to account for cash funded special programs, administered by City Departments.

**CDBG** - to account for various Community Development Block Grant funded programs.

**Other Grant Fund** - to account for all other Federal, State and private grants for special programs administered by City departments.

**Civic Center** - to account for a portion of the Meals and Rooms Tax distribution from the State of New Hampshire to help fund a City owned civic center.

**Revolving Loan Fund** - to account for a loan program funded by CDBG funds.

**Manchester Development Corporation** - to account for the Manchester Development Corporation (MDC), which is a blended component unit of the City. The MDC is a non-profit corporation organized for the purpose of providing economic development services for the City.

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**Special Revenue Funds**  
**Combining Balance Sheet**

	HUD Section 108 Fund	Cash Special Projects Fund	CDBG Fund
<b><u>Assets</u></b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 15,095	\$ 1,732,356	
Restricted cash and cash equivalents			
Investments			
Receivables, net of allowances for collection losses			\$ 300,140
Due from other funds			
Land held for resale			
<b>Total Assets</b>	<b>\$ 15,095</b>	<b>\$ 1,732,356</b>	<b>\$ 300,140</b>
<b><u>Liabilities and Fund Equity</u></b>			
<b>Liabilities</b>			
Accounts and warrants payable		\$ 262,990	\$ 290,176
Accrued liabilities			
Due to other funds			107,953
Deferred revenue			
Other	\$ 15,095		
<b>Total Liabilities</b>	<b>15,095</b>	<b>262,990</b>	<b>398,129</b>
<b>Fund Equity</b>			
Fund balances			
Reserved for			
Encumbrances		258,731	905,372
Land held for resale			
Unreserved			
Undesignated fund balance		1,210,635	(1,003,361)
<b>Total Fund Equity</b>		<b>1,469,366</b>	<b>(97,989)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 15,095</b>	<b>\$ 1,732,356</b>	<b>\$ 300,140</b>

Other Grants Fund	Civic Center Fund	Revolving Loan Fund	Manchester Development Corporation	Total
		\$ 2,998	\$ 1,456,151	\$ 3,206,600
\$ 164,186	\$ 469,750	282,112	33,077	949,125
			683,262	683,262
1,011,706			192,823	1,504,669
66,000				66,000
			504,187	504,187
<b>\$1,241,892</b>	<b>\$ 469,750</b>	<b>\$ 285,110</b>	<b>\$ 2,869,500</b>	<b>\$ 6,913,843</b>
\$ 418,322		\$ 137,518		\$ 1,109,006
			\$ 28,077	28,077
38,788				146,741
270,404				270,404
58,906	\$ 469,750		5,000	548,751
<b>786,420</b>	<b>469,750</b>	<b>137,518</b>	<b>33,077</b>	<b>2,102,979</b>
171,696				1,335,799
			504,187	504,187
283,776		147,592	2,332,236	2,970,878
<b>455,472</b>		<b>147,592</b>	<b>2,836,423</b>	<b>4,810,864</b>
<b>\$1,241,892</b>	<b>\$ 469,750</b>	<b>\$ 285,110</b>	<b>\$ 2,869,500</b>	<b>\$ 6,913,843</b>

**Special Revenue Funds**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**

	<b>Cash Special Projects Fund</b>	<b>CDBG Fund</b>
<b><u>Revenues</u></b>		
Federal and state grants and aid		\$ 2,907,764
Nonenterprise charges for sales and services		
Interest		
Other		
<b>Total Revenues</b>		<b>2,907,764</b>
<b><u>Expenditures</u></b>		
Current:		
General government	\$ 1,208,227	2,537,937
Public safety	32,337	67,445
Health and sanitation		22,329
Highway and streets	678,296	47,957
Welfare	2,000	
Education	24,807	
Parks and recreation	209,646	321,886
<b>Total Expenditures</b>	<b>2,155,313</b>	<b>2,997,554</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,155,313)</b>	<b>(89,790)</b>
<b><u>Other Financing Sources (Uses)</u></b>		
Operating transfers in	2,532,600	
Operating transfers out		
<b>Total Other Financing Sources (Uses)</b>	<b>2,532,600</b>	
Excess (Deficiency) of revenues and other financing sources over expenditures and other financing uses	377,287	(89,790)
<b>Fund Balance (Deficit), beginning of year</b>	<b>1,092,079</b>	<b>(8,199)</b>
<b>Fund Balance (Deficit), end of year</b>	<b>\$ 1,469,366</b>	<b>\$ (97,989)</b>

City of Manchester, New Hampshire  
Year Ended June 30, 2001

<u>Other Grant Fund</u>	<u>Civic Center Fund</u>	<u>Revolving Loan Fund</u>	<u>Manchester Development Corporation</u>	<u>Total</u>
\$ 3,053,289	\$ 1,969,723			\$ 7,930,776
186,858				186,858
		\$ 11,203	\$ 125,250	136,453
2,611,183			2,270	2,613,453
<b>5,851,330</b>	<b>1,969,723</b>	<b>11,203</b>	<b>127,520</b>	<b>10,867,540</b>
4,228,544	1,969,723		25,463	9,969,894
1,494,520				1,594,302
586,520				608,849
179,766				906,019
48,440				50,440
583,031				607,838
105,243				636,775
<b>7,226,064</b>	<b>1,969,723</b>		<b>25,463</b>	<b>14,374,117</b>
<b>(1,374,734)</b>		<b>11,203</b>	<b>102,057</b>	<b>(3,506,577)</b>
				2,532,600
			(50,000)	(50,000)
			<b>(50,000)</b>	<b>2,482,600</b>
(1,374,734)		11,203	52,057	(1,023,977)
<b>1,830,206</b>		<b>136,389</b>	<b>2,784,366</b>	<b>\$5,834,841</b>
<b>\$ 455,472</b>	<b>\$ -</b>	<b>\$ 147,592</b>	<b>\$ 2,836,423</b>	<b>\$ 4,810,864</b>



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**CITY OF MANCHESTER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2001**

**Enterprise Funds** - to account for the operations of the City that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis will be recovered or financed primarily through user charges.

**Water Works Fund** - to account for the operations of the Water Works whose primary responsibility is providing water service for residential, commercial and industrial entities for the City and six surrounding communities.

**Environmental Protection Division (EPD) Fund** - to account for the operations of the sewer treatment facility as well as all services related to the treatment of sewage for the City and three surrounding communities.

**Aviation Fund** - to account for the operations of the City's airport which is operated by the Department of Aviation.

**Recreation Fund** - to account for certain operations of the Parks and Recreation Department related to the revenue generating recreational facilities owned by the City. These facilities included a ski area, a golf course, a stadium and two ice skating rinks.

**Aggregation Fund** - to account for revenues and expenditures incurred in procuring energy services for the City.

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Enterprise Funds  
Combining Balance Sheet

	Water Works Fund	EPD Fund
<b><u>Assets</u></b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 539,417	\$ 32,087,904
Restricted cash and cash equivalents	2,162,639	417,945
Restricted investments		
Receivables, net of allowances for collection losses	1,325,949	11,745,655
Prepaid items	731,810	12,006
Due from other funds	365,316	
Inventories	623,149	36,451
Property and equipment, net, where applicable, of accumulated depreciation	64,980,368	98,660,364
<b>Total Assets</b>	<b>\$ 70,728,648</b>	<b>\$ 142,960,325</b>
<b><u>Liabilities and Fund Equity (Deficit)</u></b>		
<b>Liabilities</b>		
Accounts and warrants payable	\$ 444,309	\$ 757,759
Retainage payable	84,278	233,087
Accrued liabilities	476,718	1,128,745
Due to other funds		
Deferred revenue		
Bonds and notes payable - City	8,951,455	36,344,462
Due to State of New Hampshire		7,625,084
Compensated absences	797,212	222,559
Other	217,024	
<b>Total Liabilities</b>	<b>10,970,996</b>	<b>46,311,696</b>
<b>Fund Equity</b>		
Contributed capital	31,386,576	48,937,860
Retained earnings (deficit)		
Reserved	638,609	184,858
Unreserved	27,732,467	47,525,911
<b>Total Fund Equity (Deficit)</b>	<b>59,757,652</b>	<b>96,648,629</b>
<b>Total Liabilities and Fund Equity (Deficit)</b>	<b>\$ 70,728,648</b>	<b>\$ 142,960,325</b>

Aviation Fund	Recreation Fund	Aggregation Fund	Total
	\$ 573,654		\$ 33,200,975
\$ 41,822,305			44,402,889
10,942,545			10,942,545
5,893,009	204,209	\$ 14,200	19,183,022
1,704,684		116,786	2,565,286
		5,908	365,316
			665,508
251,419,475	3,381,761	157,028	418,598,996
<b>\$ 311,782,018</b>	<b>\$ 4,159,624</b>	<b>\$ 293,922</b>	<b>\$ 529,924,537</b>
\$ 4,970,027	\$ 87,981	\$ 3,253	\$ 6,263,329
1,551,483			1,868,848
5,535,339	9,410	25,549	7,175,761
		1,721,117	1,721,117
197,296	8,449		205,745
210,385,009	1,199,200	80,000	256,960,126
			7,625,084
97,584	122,925	2,939	1,243,219
61,982			279,006
<b>222,798,720</b>	<b>1,427,965</b>	<b>1,832,858</b>	<b>283,342,235</b>
41,157,261	1,630,719		123,112,416
18,432,575			19,256,042
29,393,462	1,100,940	(1,538,936)	104,213,844
<b>88,983,298</b>	<b>2,731,659</b>	<b>(1,538,936)</b>	<b>246,582,302</b>
<b>\$ 311,782,018</b>	<b>\$ 4,159,624</b>	<b>\$ 293,922</b>	<b>\$ 529,924,537</b>

**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Retained Earnings (Deficits)**

	<b>Water Works Fund</b>	<b>EPD Fund</b>
<b><u>Operating Revenues</u></b>		
Charges for goods and services	\$ 9,376,445	\$ 10,989,457
Other	122,386	
<b>Total Operating Revenues</b>	<b>9,498,831</b>	<b>10,989,457</b>
<b><u>Operating Expenses</u></b>		
Personnel services	4,248,298	2,251,203
Plant maintenance	644,499	1,471,259
Light/heat and power	881,454	1,917,317
General and administrative	1,239,141	488,744
Depreciation and amortization	2,099,515	3,909,696
<b>Total Operating Expenses</b>	<b>9,112,907</b>	<b>10,038,219</b>
<b>Operating Income (Loss)</b>	<b>385,924</b>	<b>951,238</b>
<b><u>Non-Operating Revenues (Expenses), net</u></b>		
Soundproofing program grant		
Soundproofing program expense		
Interest income	45,650	1,651,028
Interest expense	(557,524)	(1,418,056)
Reimbursements of bond interest expense		352,326
Passenger facility charges		
Customer facility charges		
Rent and other income		114,561
<b>Total Non-operating Revenues (Expenses)</b>	<b>(511,874)</b>	<b>699,859</b>
Net income before capital contributions	(125,950)	1,651,097
Capital Contributions	1,897,332	2,300,403
<b>Net Income (Loss)</b>	<b>1,771,382</b>	<b>3,951,500</b>
Add depreciation on fixed assets acquired by grants and individual contributions externally restricted for capital acquisitions and construction that reduces contributed capital	623,124	1,830,861
<b>Increase (Decrease) in Retained Earnings</b>	<b>2,394,506</b>	<b>5,782,361</b>
<b>Retained Earnings (Deficit), beginning of year</b>	<b>25,976,570</b>	<b>41,928,408</b>
<b>Retained Earnings (Deficit), end of year</b>	<b>\$ 28,371,076</b>	<b>\$ 47,710,769</b>

Aviation Fund	Recreation Fund	Aggregation Fund	Total
\$ 27,149,313	\$ 2,099,531	\$ 15,736	\$ 49,630,482
2,017,259	328		2,139,973
<b>29,166,572</b>	<b>2,099,859</b>	<b>15,736</b>	<b>51,770,455</b>
3,353,499	1,263,474	122,680	11,239,154
3,622,751	105,174		5,843,683
1,522,014	297,825		4,618,610
5,410,979	268,136	17,303	7,424,303
5,462,083	376,945	91,634	11,939,873
<b>19,371,326</b>	<b>2,311,554</b>	<b>231,617</b>	<b>41,065,623</b>
<b>9,795,246</b>	<b>(211,695)</b>	<b>(215,881)</b>	<b>10,704,832</b>
2,774,840			2,774,840
(2,950,505)			(2,950,505)
3,316,495	40,086	(94,887)	4,958,372
(9,699,594)	(59,046)	(4,244)	(11,738,464)
			352,326
4,541,383			4,541,383
1,965,674			1,965,674
	22,584		137,145
<b>(51,707)</b>	<b>3,624</b>	<b>(99,131)</b>	<b>40,771</b>
9,743,539	(208,071)	(315,012)	10,745,603
4,047,332	186,530		8,431,597
<b>13,790,871</b>	<b>(21,541)</b>	<b>(315,012)</b>	<b>19,177,200</b>
2,513,168	153,035		5,120,188
<b>16,304,039</b>	<b>131,494</b>	<b>(315,012)</b>	<b>24,297,388</b>
<b>31,521,998</b>	<b>969,446</b>	<b>(1,223,924)</b>	<b>99,172,498</b>
<b>\$ 47,826,037</b>	<b>\$ 1,100,940</b>	<b>\$ (1,538,936)</b>	<b>\$ 123,469,886</b>

**Enterprise Funds**  
**Combining Statement of Cash Flows**

	<b>Water Works Fund</b>	<b>EPD Fund</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received from customers	\$ 7,477,671	\$ 9,678,305
Cash payments for goods and services	(2,087,024)	(3,220,310)
Cash payments to employees for services	(2,288,420)	(2,146,113)
Other operating revenues (expenses)	122,386	114,561
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,224,613</b>	<b>4,426,443</b>
<b><u>Cash Flows from Non-Capital and Related Financing Activities</u></b>		
Amounts from federal & state governments for soundproofing		
Soundproofing related expenses		
Passenger and customer facility charges		
Short-term cash advance from City		
<b>Net Cash Provided by Non-Capital &amp; Related Financing Activities</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Proceeds from State of New Hampshire Revolving Fund		7,494,682
Reimbursement of bond interest expenses		352,326
Principal paid on bonds	(716,571)	(4,004,296)
Interest paid on bonds	(557,524)	(1,306,946)
Contributed capital by federal, state & local governments	1,897,333	2,300,403
Acquisition and construction of capital assets	(3,929,168)	(6,476,255)
<b>Net Cash Used by Capital &amp; Related Financing Activities</b>	<b>(3,305,930)</b>	<b>(1,640,086)</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Sale of investment securities		
Interest paid on cash advances		
Interest and dividends from investments	45,650	1,756,774
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>45,650</b>	<b>1,756,774</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(35,667)</b>	<b>4,543,131</b>
Cash and cash equivalents at beginning of period	2,737,723	27,962,718
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 2,702,056</b>	<b>\$ 32,505,849</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 385,924	\$ 951,238
Adjustments to reconcile operating income (loss) to cash provided by operating activities:		
Depreciation and amortization	2,099,515	3,909,696
Non-operating revenue		114,561
<b>Change in Assets and Liabilities</b>		
(Increase) decrease in receivables	697,557	(253,161)
(Increase) in inventories	95,879	(1,973)
Increase in prepaid expenses and other assets	(640,469)	(948,262)
Increase in accounts payable	268,256	875,265
Increase (decrease) in accrued liabilities	328,073	(259,867)
Increase (decrease) in compensated absences	17,117	38,946
Increase in Deferred Revenue		
Increase in interfund liabilities	(27,239)	
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,224,613</b>	<b>\$ 4,426,443</b>

Aviation Fund	Recreation Fund	Aggregation Fund	Total
\$ 28,964,025	\$ 2,063,518	\$ 60,198	\$ 48,243,717
(7,921,766)	(605,184)	(15,694)	(13,849,978)
(3,323,983)	(1,244,893)	(123,262)	(9,126,671)
	22,584	25,000	284,531
<b>17,718,276</b>	<b>236,025</b>	<b>(53,758)</b>	<b>25,551,599</b>
2,774,840			2,774,840
(2,950,505)			(2,950,505)
6,503,719			6,503,719
(4,409,086)		183,079	(4,226,007)
<b>1,918,968</b>	<b>-</b>	<b>183,079</b>	<b>2,102,047</b>
			7,494,682
			352,326
(3,045,000)	(131,600)	(30,000)	(7,927,467)
(8,881,224)	(59,830)	(190)	(10,805,714)
1,477,296	186,530		5,861,562
(39,267,572)	(582,273)		(50,255,268)
<b>(49,716,500)</b>	<b>(587,173)</b>	<b>(30,190)</b>	<b>(55,279,879)</b>
724,130			724,130
		(99,131)	(99,131)
3,316,495	40,086		5,159,005
<b>4,040,625</b>	<b>40,086</b>	<b>(99,131)</b>	<b>5,784,004</b>
<b>(26,038,631)</b>	<b>(311,062)</b>	<b>-</b>	<b>(21,842,229)</b>
67,860,936	884,716	-	99,446,093
<b>\$ 41,822,305</b>	<b>\$ 573,654</b>	<b>\$ -</b>	<b>\$ 77,603,864</b>
\$ 9,795,246	\$ (211,695)	\$ (215,881)	\$ 10,704,832
5,462,083	376,945	91,634	11,939,873
	22,584		137,145
(223,294)	(43,848)	44,461	221,715
			93,906
			(1,588,731)
2,633,977	65,935	1,610	3,845,043
23,313	16	25,000	116,535
8,894	18,581	(582)	82,956
18,057	7,507		25,564
			(27,239)
<b>\$ 17,718,276</b>	<b>\$ 236,025</b>	<b>\$ (53,758)</b>	<b>\$ 25,551,599</b>



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**CITY OF MANCHESTER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2001**

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**Trust Funds** - to account for assets held by the City in a trustee capacity

**Nonexpendable Cemetery Trust Fund** - to account for assets, contributions and income earned on investments used to maintain the City's cemeteries and endowment funds, as well as for other purposes deemed appropriate by the Trustees.

**Nonexpendable Library Trust Fund** - to account for contributions and income earned on investments used to maintain the City's library. The principal of the Trust is preserved with income used to add to the City's library resources.

**Expendable Trust Funds** - to account for contributions and income received from various revenue sources for non-capital and capital reserve funds and the "Old System".

**Agency Fund** - to account for assets held by the City as an agent for individuals or other governmental units.

**Tax Fund** - to account for the county assessment collected by the City on the MSD and county's behalf.





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Trust & Agency Funds  
Combining Balance Sheet

	Expendable	
	Expendable Trust	Old System Trust
<b><u>Assets</u></b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 62,564	\$ 2,527,848
Investments	1,777,160	
Receivables, net of allowances for collection losses	60	
<b>Total Assets</b>	<b><u>\$ 1,839,784</u></b>	<b><u>\$ 2,527,848</u></b>
<b><u>Liabilities and Fund Equity</u></b>		
<b>Liabilities</b>		
Due to other funds	\$ 431,316	\$ 877,074
<b>Total Liabilities</b>	<b><u>431,316</u></b>	<b><u>877,074</u></b>
<b>Fund Equity</b>		
Fund balances		
Reserved for		
Cemetery and other trust funds	1,408,468	\$ 1,650,774
Library		
<b>Total Fund Equity</b>	<b><u>1,408,468</u></b>	<b><u>1,650,774</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 1,839,784</u></b>	<b><u>\$ 2,527,848</u></b>

Nonexpendable			
Cemetery Trust	Library Trust	Agency Fund	Total
\$ 261,313	\$ 276,876		\$ 3,128,601
12,487,354	2,496,401		16,760,915
390	14,724	\$ 1,181,107	1,196,281
<b>\$ 12,749,057</b>	<b>\$ 2,788,001</b>	<b>\$ 1,181,107</b>	<b>\$ 21,085,797</b>
\$ 340,850		\$ 1,181,107	\$ 2,830,347
<b>340,850</b>		<b>1,181,107</b>	<b>2,830,347</b>
12,408,207			15,467,449
	\$ 2,788,001		2,788,001
<b>12,408,207</b>	<b>2,788,001</b>		<b>18,255,450</b>
<b>\$ 12,749,057</b>	<b>\$ 2,788,001</b>	<b>\$ 1,181,107</b>	<b>\$ 21,085,797</b>

**Expendable Trust Funds  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

**City of Manchester, New Hampshire  
Year Ended June 30, 2001**

	<b>Expendable Trust</b>	<b>Old System Trust</b>	<b>Total</b>
<b><u>Revenues</u></b>			
Interest and dividends	\$ 171,614	\$ 166,171	\$ 337,785
Contributions	41,491	1,967,181	2,008,672
Net gain (loss) on sale of securities	(11,146)		(11,146)
<b>Total Revenues</b>	<b>201,959</b>	<b>2,133,352</b>	<b>2,335,311</b>
<b><u>Expenditures</u></b>			
Current:			
General government		1,796,703	1,796,703
Cemetery Trust	60,384		60,384
Investment management fee	2,556	7,433	9,989
<b>Total Expenditures</b>	<b>62,940</b>	<b>1,804,136</b>	<b>1,867,076</b>
<b>Excess of revenues over expenditures</b>	<b>139,019</b>	<b>329,216</b>	<b>468,235</b>
<b>Fund Balance, beginning of year</b>	<b>1,269,449</b>	<b>1,321,558</b>	<b>2,591,007</b>
<b>Fund Balance, end of year</b>	<b>\$1,408,468</b>	<b>\$1,650,774</b>	<b>\$3,059,242</b>

**Nonexpendable Trust Funds**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Fund Balances**

**City of Manchester, New Hampshire**  
**Year Ended June 30, 2001**

	<b>Cemetery Trust</b>	<b>Library Trust</b>	<b>Total</b>
<b><u>Revenues</u></b>			
Interest and dividends	\$ 455,411	\$ 98,420	\$ 553,831
Contributions	243,184	7,334	250,518
Investment income (loss)	(225,893)	(287,447)	(513,340)
<b>Total Revenues</b>	<b>472,702</b>	<b>(181,693)</b>	<b>291,009</b>
<b><u>Expenses</u></b>			
Cemetery	38,750		38,750
Library		75,487	75,487
Investment management fee	18,375	16,878	35,253
<b>Total Expenses</b>	<b>57,125</b>	<b>92,365</b>	<b>149,490</b>
<b>Net income before capital contributions and operating transfers</b>	<b>415,577</b>	<b>(274,058)</b>	<b>141,519</b>
Operating Transfers Out	(300,100)		(300,100)
<b>Net Income (Loss)</b>	<b>115,477</b>	<b>(274,058)</b>	<b>(158,581)</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>115,477</b>	<b>(274,058)</b>	<b>(158,581)</b>
<b>Fund Balance beginning of year</b>	<b>12,292,730</b>	<b>3,062,059</b>	<b>15,354,789</b>
<b>Fund Balance, end of year</b>	<b>\$ 12,408,207</b>	<b>\$ 2,788,001</b>	<b>\$ 15,196,208</b>

Nonexpendable Trust Funds  
Combining Statement of Cash Flows

City of Manchester, New Hampshire  
Year Ended June 30, 2001

	Cemetery Trust	Library Trust	Total
<b><u>Cash Flows from Operating Activities</u></b>			
Contributions	\$ 243,184	\$ 7,334	\$ 250,518
Cash payments for goods and services	302,100	(75,487)	226,613
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>545,284</b>	<b>(68,153)</b>	<b>477,131</b>
<b><u>Cash Flows from Non-Capital and Related Financing Activities</u></b>			
Short-term cash advance from City	(300,100)		(300,100)
<b>Net Cash (Used) by Non-Capital &amp; Related Financing Activities</b>	<b>(300,100)</b>	<b>-</b>	<b>(300,100)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Purchase of investment securities		(1,052,902)	(1,052,902)
Proceeds from sale and maturities of investment securities	(820,377)	1,090,349	269,972
Investment management fee	(18,376)		(18,376)
Interest and dividends from investments	456,477	84,679	541,156
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(382,276)</b>	<b>122,126</b>	<b>(260,150)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(137,092)</b>	<b>53,973</b>	<b>(83,119)</b>
Cash and cash equivalents at beginning of period	398,405	222,903	621,308
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 261,313</b>	<b>\$ 276,876</b>	<b>\$ 538,189</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>			
Operating income (loss)	\$ 415,577	\$ (274,058)	\$ 141,519
Adjustments to reconcile operating income to cash provided by operating activities:			
Investment income (loss)	225,893	287,447	513,340
Interest income (loss)	(456,477)	(101,557)	(558,034)
Investment management fee	18,376	16,878	35,254
<b>Change in Assets and Liabilities</b>			
Decrease in receivables	1,065	3,137	4,202
Increase in interfund liabilities	340,850		340,850
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 545,284</b>	<b>\$ (68,153)</b>	<b>\$ 477,131</b>

Agency Funds  
Statement of Changes in Assets and Liabilities

City of Manchester, New Hampshire  
Year Ended June 30, 2001

	<u>Balance beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance end of Year</u>
<b><u>County Tax Fund</u></b>				
<b>Assets</b>				
Receivables	<u>\$1,020,573</u>	<u>\$ 818,820</u>	<u>\$ 658,286</u>	<u>\$ 1,181,107</u>
<b>Liabilities</b>				
Due to other funds	<u>\$1,020,573</u>	<u>\$ 1,181,107</u>	<u>\$ (1,020,573)</u>	<u>\$ 1,181,107</u>



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**CITY OF MANCHESTER, NEW HAMPSHIRE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2001**

**General Fixed Assets Account Group** - to account for all fixed assets of the City not related to specific proprietary or trust funds.

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General Fixed Assets Account Group  
Schedule of General Fixed Assets - By Source

City of Manchester, New Hampshire  
June 30, 2001

**General Fixed Assets**

Land	\$ 15,042,481
Buildings	102,427,841
Improvements other than buildings	8,167,088
Equipment	4,987,198
Work-in-Process	13,421,569
Vehicles	14,555,085

<b>Total General Fixed Assets</b>	<b><u>\$ 158,601,262</u></b>
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**Investments in General Fixed Assets**

Capital project funds	\$ 115,294,597
General fund revenues	22,887,096
Special revenue funds	20,419,569

<b>Total Investments in General Fixed Assets</b>	<b><u>\$ 158,601,262</u></b>
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General Fixed Assets Account Group  
Schedule of General Fixed Assets - By Function and Activity

City of Manchester, New Hampshire  
June 30, 2001

	Land	Buildings	Improvements other than buildings	Equipment	Vehicles	Total
<b><u>General Government</u></b>						
Building				\$ 5,985	\$ 133,812	\$ 139,797
City Clerk		\$ 90,304		86,948	26,446	203,698
City Solicitor				5,115		5,115
Economic Development Office	\$ 4,109,431			5,294		4,114,725
Finance	105,000			36,114		141,114
Information Systems				1,281,511	14,375	1,295,886
Mayor					19,495	19,495
Personnel				5,000		5,000
Planning	44,714	768,974		32,306		845,994
Public Buildings	75,000	6,104,114		22,507	383,798	6,585,419
Tax Collector				5,332		5,332
Youth Services				6,075		6,075
<b>Total General Government</b>	<b>4,334,145</b>	<b>6,963,392</b>	<b>-</b>	<b>1,492,187</b>	<b>577,926</b>	<b>13,367,650</b>
<b><u>Public Safety</u></b>						
Fire Protection	661,291	4,621,151	\$ 55,714	443,110	5,626,237	11,407,503
Police Protection	96,115	3,445,944	52,716	505,285	887,537	4,987,597
<b>Total Public Safety</b>	<b>757,406</b>	<b>8,067,095</b>	<b>108,430</b>	<b>948,395</b>	<b>6,513,774</b>	<b>16,395,100</b>
<b><u>Health and Sanitation</u></b>						
Cemetery	71,255	298,604		273,303	218,911	862,073
Health				41,943	230,698	272,641
<b>Total Health and Sanitation</b>	<b>71,255</b>	<b>298,604</b>	<b>-</b>	<b>315,246</b>	<b>449,609</b>	<b>1,134,714</b>
<b><u>Highway and Streets</u></b>						
Highway	108,104	1,273,763	800,565	581,254	5,999,842	8,763,528
Traffic	3,687,950	15,642,972	1,736,206	331,362	298,677	21,697,167
<b>Total Highway and Streets</b>	<b>3,796,054</b>	<b>16,916,735</b>	<b>2,536,771</b>	<b>912,616</b>	<b>6,298,519</b>	<b>30,460,695</b>
<b><u>Welfare</u></b>						
Welfare	27,488	109,955				137,443
<b>Total Welfare</b>	<b>27,488</b>	<b>109,955</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,443</b>
<b><u>Education</u></b>						
Library	72,270	1,334,211		110,198		1,516,679
School	1,609,845	67,395,669	1,835,615			70,841,129
<b>Total Education</b>	<b>1,682,115</b>	<b>68,729,880</b>	<b>1,835,615</b>	<b>110,198</b>	<b>-</b>	<b>72,357,808</b>
<b><u>Parks and Recreation</u></b>						
Parks & Recreation	4,374,018	1,342,180	3,686,272	1,208,556	715,257	11,326,283
<b>Total Parks and Recreation</b>	<b>4,374,018</b>	<b>1,342,180</b>	<b>3,686,272</b>	<b>1,208,556</b>	<b>715,257</b>	<b>11,326,283</b>
<b>Construction in Progress</b>		<b>11,351,152</b>	<b>2,070,417</b>			<b>13,421,569</b>
<b>Total General Fixed Assets Allocated to Functions</b>	<b>\$ 15,042,481</b>	<b>\$ 113,778,993</b>	<b>\$ 10,237,505</b>	<b>\$ 4,987,198</b>	<b>\$ 14,555,085</b>	<b>\$ 158,601,262</b>

General Fixed Assets Account Group  
Schedule of Changes in General Fixed Assets - By Function and Activity

City of Manchester, New Hampshire  
Year Ended June 30, 2001

	General Fixed Assets Beginning of Year	Additions	Deductions	Transfers	General Fixed Assets End of Year
<b><u>General Government</u></b>					
Building	\$ 139,797				\$ 139,797
City Clerk	203,698				203,698
City Solicitor	5,115				5,115
Economic Development Office	4,110,000	\$ 5,294	\$ (569)		4,114,725
Finance	141,114				141,114
Information Systems	1,295,886				1,295,886
Mayor	19,495				19,495
Personnel	5,000				5,000
Planning	845,994				845,994
Public Buildings	6,666,976	53,069	(134,626)		6,585,419
Tax Collector	5,332				5,332
Youth Services	6,075				6,075
<b>Total General Government</b>	<b>13,444,482</b>	<b>58,363</b>	<b>(135,195)</b>		<b>13,367,650</b>
<b><u>Public Safety</u></b>					
Fire Protection	11,422,105		(14,602)		11,407,503
Police Protection	4,952,661	57,551		\$ (22,615)	4,987,597
<b>Total Public Safety</b>	<b>16,374,766</b>	<b>57,551</b>	<b>(14,602)</b>	<b>(22,615)</b>	<b>16,395,100</b>
<b><u>Health and Sanitation</u></b>					
Cemetery	801,676	68,753	(8,356)		862,073
Health	272,641				272,641
<b>Total Health and Sanitation</b>	<b>1,074,317</b>	<b>68,753</b>	<b>(8,356)</b>		<b>1,134,714</b>
<b><u>Highway and Streets</u></b>					
Highway	8,413,358	541,161	(213,607)	22,616	8,763,528
Traffic	21,707,569		(10,402)		21,697,167
<b>Total Highway and Streets</b>	<b>30,120,927</b>	<b>541,161</b>	<b>(224,009)</b>	<b>22,616</b>	<b>30,460,695</b>
<b><u>Welfare</u></b>					
Welfare	137,443				137,443
<b>Total Welfare</b>	<b>137,443</b>				<b>137,443</b>
<b><u>Education</u></b>					
Library	1,468,679	48,000			1,516,679
School	75,016,834		(18,556,673)	14,380,968	70,841,129
<b>Total Education</b>	<b>76,485,513</b>	<b>48,000</b>	<b>(18,556,673)</b>	<b>14,380,968</b>	<b>72,357,808</b>
<b><u>Parks and Recreation</u></b>					
Parks & Recreation	11,244,303	94,378	(12,398)		11,326,283
<b>Total Parks and Recreation</b>	<b>11,244,303</b>	<b>94,378</b>	<b>(12,398)</b>		<b>11,326,283</b>
<b>Construction in Progress</b>	<b>24,588,221</b>	<b>3,214,317</b>		<b>(14,380,969)</b>	<b>13,421,569</b>
<b>Total General Fixed Assets Allocated to Functions</b>	<b>\$ 173,469,972</b>	<b>\$ 4,082,523</b>	<b>\$ (18,951,233)</b>	<b>\$ -</b>	<b>\$ 158,601,262</b>



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# **STATISTICAL SECTION**



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**General Governmental Expenditures by Function (1)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Health and Sanitation</b>	<b>Highway and Streets</b>	<b>Welfare</b>
1991	\$ 17,927,583	\$ 22,172,950	\$ 1,665,330	\$ 10,250,695	\$ 1,476,057
1992	13,513,627	23,169,625	2,397,552	11,559,540	1,287,494
1994 (2)	23,632,081	35,347,208	3,584,951	20,668,958	1,799,492
1995	13,024,281	23,949,556	2,412,168	13,238,142	1,089,981
1996	14,047,737	24,822,918	2,356,684	14,468,980	1,118,771
1997	11,878,493	25,163,363	2,451,268	16,126,906	1,035,032
1998	11,469,775	27,063,571	2,544,046	16,538,533	1,524,002
1999	15,082,402	28,775,663	1,984,397	17,426,902	932,944
2000	17,751,003	29,689,148	2,304,060	18,505,080	1,213,010
2000 (4)					
2000	17,751,003	29,689,148	2,304,060	18,505,080	1,213,010
2001	17,384,526	32,148,521	2,620,250	19,717,326	1,401,741
2001 (4)					
2001	17,384,526	32,148,521	2,620,250	19,717,326	1,401,741

**Notes**

- (1) Includes the General Fund only prepared using GAAP basis.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (3) Beginning in fiscal 1995 many recreation functions were accounted for in the Enterprise Fund.
- (4) MSD is included as a governmental discrete component unit in fiscal years 2001 and 2000.
- (5) City and MSD combined school chargebacks , were not allocated to school department from other general fund departments prior to this year.



City of Manchester, New Hampshire  
Table I

Education	Parks and Recreation	Debt Service	Total Expenditures
\$ 57,836,148	\$ 2,505,746	\$ 8,721,391	\$ 122,555,900
60,590,951	2,558,570	9,893,001	124,970,360
94,826,842	3,779,205	17,505,727	201,144,464
65,080,717	1,088,965	(3) 15,501,374	135,385,184
70,883,458	1,166,400	15,290,065	144,155,013
69,740,141	1,158,885	16,872,450	144,426,538
78,409,488	1,169,744	16,164,151	154,883,310
79,988,320	2,411,070	19,733,680	166,335,378
3,049,175	2,790,074	13,522,285	88,823,835
107,809,716 (5)		8,407,080	116,216,796
110,858,891	2,790,074	21,929,365	205,040,631
2,184,410	2,940,972	13,873,698	92,271,444
108,250,789		8,194,461	116,445,250
110,435,199	2,940,972	22,068,159	208,716,694

**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Federal and State</b>	<b>Charges for Sales and Services</b>	<b>Licenses and Permits</b>
1991	\$ 92,751,472	\$ 10,824,216	\$ 10,948,656	\$ 7,619,777
1992	96,384,724	11,298,841	10,383,221	7,866,756
1994 (2)	100,952,145	17,704,791	17,388,372	13,116,970
1995	95,650,105	13,191,242	10,795,404	10,192,255
1996	100,570,543	13,645,131	11,120,727	11,120,727
1997	103,951,582	14,354,349	11,578,643	13,802,836
1998	107,223,578	18,769,545	13,711,063	14,129,835
1999	117,348,501	17,963,054	14,138,976	14,969,847
2000	60,190,452	7,302,746	3,615,039	16,212,440
2000 (3)	23,167,248 (4)	71,911,186	13,458,205	-
2000	83,357,700	79,213,932	17,073,244	16,212,440
2001	58,628,056	7,146,789	3,898,497	18,432,863
2001 (3)	26,968,740 (4)	72,758,132	15,689,722	-
2001	85,596,796	79,904,921	19,588,219	18,432,863

**Notes**

- (1) Includes the General Fund only using GAAP basis.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (3) MSD is included as a governmental discrete component unit beginning in fiscal year 2000.
- (4) The City issues a combined property tax bill for both local and state funding.  
The State portion is included in federal and state.

Interest	Other	Total Revenues
\$ 738,442	\$ 2,171,024	\$ 125,053,587
569,787	1,446,946	127,950,275
1,752,094	5,086,908	156,001,280
1,856,668	3,200,885	134,886,559
2,426,075	2,969,759	141,852,962
2,342,522	3,100,525	149,130,457
2,008,604	1,403,320	157,245,945
1,989,669	1,384,046	167,794,093
2,548,473	6,655,281	96,524,431
-	5,626,537	114,163,176
2,548,473	12,281,818	210,687,607
2,255,766	7,942,319	98,304,290
443,944	1,153,134	117,013,672
2,699,710	9,095,453	215,317,962

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections (1)</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections (1)</b>
1991	\$ 101,054,922	\$ 83,394,624	82.52%	\$ 9,934,709
1992	104,807,584	90,504,074	86.35%	16,443,970
1994 (2)	105,408,690	100,530,691	95.37%	16,428,716
1995	106,908,274	102,767,174	96.13%	7,196,199
1996	106,457,759	103,886,028	97.58%	4,683,658
1997	113,630,813	110,590,166	97.32%	3,464,940
1998	114,851,627	112,425,511	97.89%	2,869,480
1999	120,680,494	117,945,857	97.73%	4,035,991
2000	67,984,582	66,760,839		2,539,282
2000 (3)	<u>47,634,400</u>	<u>46,853,452</u>		-
2000	115,618,982	113,614,291	98.56%	2,539,282
2001	63,738,811	62,873,748		1,888,350
2001 (3)	<u>52,484,694</u>	<u>51,774,711</u>		466,996
2001	116,223,505	114,648,459	98.64%	2,355,346

**Notes**

- (1) Actual collections of levy, including additional warrants (less refunds), and amounts refundable, including proceeds from tax titles, possessions, abatements and other credits.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion
- (3) MSD is included as a governmental discrete component unit in fiscal years 2001 and 2000.

City of Manchester, New Hampshire  
Table III

Total Tax Collections (1)	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
\$ 93,329,333	92.36%	\$ 25,252,260	24.99%
106,948,044	102.04%	23,111,800	22.05%
116,959,407	110.96%	11,561,083	10.97%
109,963,373	102.86%	8,505,985	7.96%
108,569,686	101.98%	6,394,058	6.01%
114,055,106	100.37%	5,969,765	5.25%
115,294,991	100.39%	5,526,401	4.81%
121,981,848	101.08%	4,225,047	3.50%
69,300,122			
46,853,452			
116,153,574	100.64%	3,690,455	2.82%
64,762,098			
52,241,707			
117,003,805	100.67%	2,910,155	2.50%

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	RESIDENTIAL REAL PROPERTY		NON-RESIDENTIAL REAL PROPERTY	
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value
1991	\$ 2,221,142,045	\$ 2,174,937,355	\$ 1,751,508,205	\$ 1,760,083,262
1992	2,179,653,000	1,951,464,973	1,666,868,000	1,538,463,493
1994 (3)	2,181,699,800	1,885,184,683	1,591,546,500	1,417,626,676
1995	2,189,624,800	1,832,332,667	1,546,090,000	1,333,994,744
1996	2,207,856,400	1,843,933,159	1,470,693,500	1,267,839,224
1997	2,236,972,700	1,928,424,741	1,455,775,600	1,254,978,966
1998	2,259,471,600	1,984,603,953	1,465,117,900	1,286,884,409
1999	2,282,638,700	2,037,888,314	1,521,938,800	1,358,752,611
2000	2,304,804,600	2,093,183,725	1,557,536,400	1,414,527,654
2001	2,336,235,300	2,157,786,367	1,560,443,200	1,441,251,686

Notes

- (1) Exemptions for the blind and elderly.
- (2) Amounts shown are net taxable assessed values after deducting exemptions for the blind and elderly.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

City of Manchester, New Hampshire  
Table IV

Exemptions (1)	TOTAL		Ratio of Total Assessed Value to Total Estimated Market Value
	Assessed Value (2)	Estimated Market Value	
\$ 56,800,900	\$ 3,915,849,350	\$ 3,935,020,617	99.51%
65,313,250	3,781,207,750	3,489,928,466	108.35%
65,233,500	3,708,012,800	3,302,811,359	112.27%
65,964,850	3,669,749,950	3,166,327,411	115.90%
67,420,550	3,611,129,350	3,111,772,383	116.05%
68,416,750	3,624,331,550	3,183,403,707	113.85%
60,331,000	3,664,258,500	3,271,488,362	112.01%
64,695,250	3,739,882,250	3,396,640,925	110.11%
64,609,150	3,797,731,850	3,507,711,379	108.27%
64,874,250	3,831,804,250	3,599,038,053	106.47%

**Special Assessment Billings and Collection -  
Central Business District  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Assessment Billings</u>	<u>Current Collections</u>	<u>Percent of Billings Collected</u>	<u>Delinquent Assessment Collections</u>
1991	\$24,003	\$ 13,833	57.63%	-
1992	31,624	17,202	54.40%	\$ 10,170
1994 (1)	35,577	35,577	100.00%	14,422
1995	40,600	40,600	100.00%	-
1996	180,374	180,108	99.85%	-
1997	150,272	149,300	99.35%	164
1998	167,176	155,238	92.86%	-
1999	223,818	222,206	99.28%	11,958
2000	221,289	218,844	98.90%	2,432
2001	205,833	204,208	99.21%	1,505

Notes

(1) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.



<u>Total Collections</u>	<u>Total Collections as a Percent of Total Billings</u>	<u>Outstanding Delinquent Assessments</u>	<u>Ratio of Delinquent Assessments to Total Billings</u>
\$ 13,833	57.63%	\$ 10,170	42.37%
27,372	86.55%	14,422	45.60%
49,999	140.54%	-	0.00%
40,600	100.00%	-	0.00%
180,108	99.85%	266	0.15%
149,464	99.46%	1,074	0.71%
155,238	92.86%	13,032	7.80%
234,164	104.62%	2,686	1.20%
221,276	99.99%	2,699	1.22%
205,713	99.94%	2,819	1.37%

**REAL PROPERTY TAX RATES**

Fiscal Year	Rate per thousand (1)				Total
	City	School Local	School State	County	
1991	\$ 10.62	\$ 13.54		\$ 1.71	\$ 25.87 (2)
1992	11.38	14.29		2.11	27.78
1994	4.20	22.24		2.11	28.55 (3)
1995	10.93	15.73		2.00	28.66
1996	10.29	17.32		2.02	29.63
1997	11.37	17.42		2.05	30.84
1998	11.88	17.31		1.97	31.16
1999	12.17	18.47		1.91	32.55
2000	15.53	6.10	\$ 6.94	1.92	30.49 (4)
2001	14.74	7.04	\$ 6.86	2.04	30.68

**Notes**

- (1) Rates are based on assessed value of property. Assessment rate for real property is 100% percent.
- (2) 1991 tax rate reflects the new assessed valuation determined through a Citywide valuation.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (4) Beginning in 2000, Rate includes Statewide tax for education.

**Base Valuation - Real Estate**

**\$ 5,133,670,248 \***

**Legal Debt Limit (City):**

9.75% of Base Valuation \$ 500,532,849

Amount of Debt Applicable to Legal Debt Limit:

Total Bonded Debt for General Government	\$ 110,870,443	
Recreation Enterprise Debt	1,199,200	
Aggregation Enterprise Debt	80,000	
Less: Debt for fiscal year conversion	(15,541,425)	
Less: Debt for urban redevelopment	(4,153,922)	
Less: Debt for parking facilities	(3,289,599)	89,164,697

Legal Debt Limit - City

\$411,368,152

**Legal Debt Margin:**

Percent of:

Legal Debt Margin Outstanding	17.8%
Legal Debt Margin Available	82.2%
	<u>100.0%</u>

**Legal Debt Limit (School):**

7% of Base Valuation \$ 359,356,917

Amount of Debt Applicable to Legal Debt Limit:

Bonded Debt for School District	\$ 42,836,164	
Less: Debt for fiscal year conversion	(8,081,541)	34,754,623

Legal Debt Limit - School

\$ 324,602,294

**Legal Debt Margin:**

Percent of:

Legal Debt Margin Outstanding	9.7%
Legal Debt Margin Available	90.3%
	<u>100.0%</u>

**Legal Debt Limit (Water and Waste Water):**

10% of Base Valuation \$ 513,367,025

Amount of Debt Applicable to Legal Debt Limit:

Debt for water projects	\$ 8,951,455	
Debt for sewer projects	36,344,462	45,295,917

Legal Debt Limit - Water & Wastewater

\$ 468,071,108

**Legal Debt Margin:**

Percent of:

Legal Debt Margin Outstanding	8.8%
Legal Debt Margin Available	91.2%
	<u>100.0%</u>

**Summary of Base Valuation:**

1999 Net Local Assessed Valuation	\$ 3,896,678,500
State of New Hampshire Dept. of Revenue Administration Inventory Adjustment	1,071,691,001
State of New Hampshire Dept. of Revenue Administration Shared Revenue Adjustment	165,300,747
	<u>\$ 5,133,670,248</u>

\* The general debt limit of the City is 9.75% of base valuation. The base valuation for computing the debt limit is determined by adding the amount of taxable property lost to cities, towns and districts as a result of the enactment of the State Business Profit Tax Law to the "equalize assessed valuation". Not more than 7% of the base valuation may be incurred for school purposes. Water and sewer projects ordered by the State Water Supply and Pollution Control Commission, self-supporting sewer debt, debt for urban redevelopment and housing purposes, and overlapping debt are excluded from the measure of indebtedness. Other water projects are subject to a separate, special debt limit of 10% of the City's base valuation. Borrowings authorized by legislative acts rather than the general municipal finance statutes are sometimes excluded from a city or town's debt limit. The Total Equalized Valuation figure includes Utility Valuation and Railroad Monies Reimbursements.

**Ratio of Net General Obligation Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt</b>	<b>Debt Payable from Enterprise Revenues</b>
1991	98,722	\$ 3,915,849,350	\$ 87,520,005	\$ 24,818,000
1992	99,567	3,781,207,750	122,330,478	64,425,408
1994 (3)	101,039	3,708,012,800	175,916,541	64,160,633
1995	100,668	3,669,749,950	183,319,614	81,919,281
1996	101,900	3,611,129,350	201,193,606	83,240,962
1997	102,675	3,624,331,550	185,624,973	79,118,458
1998	103,330	3,664,258,500	196,451,555	75,198,876
1999	105,221	3,739,882,250	303,770,286	196,421,507
2000	106,180	3,797,731,850	381,830,519	254,435,951
2001	107,006	3,831,804,250	371,180,560	260,310,117

**Notes**

- (1) Population figures acquired from State of New Hampshire, Planning Department.
- (2) From Table IV.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

Net General Obligation Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
\$ 62,702,005	1.60%	\$ 635
57,905,070	1.53%	582
111,755,908	3.01%	1,106
101,400,333	2.76%	1,007
117,952,644	3.27%	1,158
106,506,515	2.94%	1,037
121,252,679	3.31%	1,173
107,348,779	2.87%	1,020
127,394,568	3.35%	1,200
110,870,443	2.89%	1,036

**Ratio of Annual Debt Service Expenditures for General Obligation  
Bonded Debt to Total General Governmental Expenditures (1)  
Last Ten Fiscal Years**

**City of Manchester, New Hampshire  
Table IX**

<b>Fiscal Year</b>	<b>Total General Governmental Expenditures (City/MSD)</b>	<b>Bonded Debt Expenditures (2)</b>	<b>Ratio of Debt Service to General Governmental Expenditures</b>
1991	\$ 122,555,900	\$ 8,721,391	7.12%
1992	124,970,360	9,893,001	7.92%
1994 (3)	201,144,464	17,505,727	8.70%
1995	135,385,184	15,501,374	11.45%
1996	144,155,013	15,290,065	10.61%
1997	144,426,538	16,872,450	11.68%
1998	154,883,310	16,164,151	10.44%
1999	166,335,378	19,733,680	11.86%
2,000	88,823,835	13,522,285	
2,000 (4)	100,643,360	8,477,713	
2,000	189,467,195	21,999,998	11.61%
2001	92,271,444	13,873,698	
2001 (4)	104,032,817	8,194,461	
2001	196,304,261	22,068,159	11.24%

**Notes**

- (1) Includes the General Fund only.
- (2) General obligation bonds reported in enterprise funds have been excluded.
- (3) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (4) MSD is included as a governmental discrete component unit in fiscal years 2001 and 2000.

**DIRECT DEBT:**

School	\$ 34,754,623
Parking Facilities	3,289,599
Urban renewal	4,153,922
Fiscal Year Conversion	15,541,425
Other	<u>53,130,874</u>
	<u>\$ 110,870,443</u>

**OVERLAPPING DEBT:**

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>City Estimated Share (1)</u>	
		<u>%</u>	<u>\$ Amount</u>
Hillsborough County (2)	\$ 1,400,000	21.89%	\$ 306,460

**Notes**

- (1) Estimated share and dollar amount of outstanding debt based upon City's share of total 2001 assessments to member communities.
- (2) Source: Hillsborough County Treasurer. Share varies on basis of most recent equalized assessed valuation as determined by the State Department of Revenue Administration of New Hampshire. Estimated share shown here is based on the 2000 equalized assessed valuation.

**Revenue Bond Coverage  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Expenses (1)</u>	<u>Net Revenue Available for 1992 Debt Service</u>
1991	\$ 4,866,305	\$ 3,746,791	N/A
1992	5,141,217	3,537,079	N/A
1994 (2)	9,143,656	7,276,891	\$ 1,866,765
1995	8,898,791	5,710,017	3,188,774
1996	9,327,954	5,989,549	3,338,405
1997	10,464,648	6,335,497	4,129,151
1998	11,586,104	6,459,977	5,126,127
1999	21,831,476	11,136,557	10,694,919
2000	25,347,377	13,336,522	12,010,855
2001	32,183,363	13,909,243	18,274,120

**Notes** \_\_\_\_\_

- (1) Exclusive of depreciation and bond interest.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (3) Principal, interest, and O&M reserve required at year end to fund three months of operations and maintenance expense.



REQUIREMENTS		Net Revenue Available for 1998/2000 Debt Service	REQUIREMENTS	
1992 Debt Service Total (3)	Coverage		1998 and 2000 Debt Service Total (3)	Coverage
N/A	N/A			
N/A	N/A			
\$ 1,396,743	1.34			
4,015,111	0.79			
3,993,449	0.84			
3,329,084	1.24			
3,308,280	1.55			
3,306,450	3.23			
3,331,255	3.61	\$ 8,679,600	\$ 4,266,791	2.03
3,332,688	5.48	\$ 14,941,432	\$ 6,866,107	2.18

**Ratio of Bonded Debt Expenditures  
to Local Revenues (1)  
Last Ten Fiscal Years**

**City of Manchester, New Hampshire  
Table XII**

<b>Fiscal Year</b>	<b>Local Revenues</b>	<b>Bonded Debt Expenditures</b>	<b>Ratio of Bonded Debt Expenditures To Local Revenues</b>
1991	\$ 114,229,371	\$ 8,721,391	7.63%
1992	116,651,434	9,893,001	8.48%
1994 (2)	138,527,744	17,505,727	12.64%
1995	121,695,317	15,501,374	12.74%
1996	128,162,993	15,290,065	11.93%
1997	134,776,108	16,872,450	12.52%
1998	138,476,400	16,164,151	11.67%
1999	149,831,039	19,733,680	13.17%
2000	89,221,685	13,522,285	16.73%
2000 (3)	42,251,990	8,477,713	
2000	131,473,675	21,999,998	
2001	91,157,501	13,873,698	16.30%
2001 (3)	44,255,540	8,194,461	
2001	135,413,041	22,068,159	

**Notes**

- (1) Includes the General Fund only.
- (2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.
- (3) MSD is included as a governmental discrete component unit beginning in fiscal year 2000.

Fiscal Year	Population (1)	NH Per Capita Income (2)	School Enrollment (3)	Manchester Unemployment Rate (4)
1991	98,722	\$ 25,698	14,367	7.20%
1992	99,490	24,988	14,597	7.50%
1994	101,039	23,704	15,032	6.60%
1995	100,668	25,400	15,355	4.60%
1996	101,900	26,526	16,587	4.00%
1997	102,675	26,615	16,791	2.90%
1998	103,330	27,806	17,104	2.70%
1999	105,221	29,303	16,467	2.40%
2000	106,180	31,114	16,693	2.50%
2001	107,006	33,332	16,942	2.80%

Source

- (1) State of New Hampshire, Planning Department
- (2) U.S. Department of Commerce, Bureau of Economic Analysis, estimated based on most recent data available.
- (3) School Department
- (4) State of New Hampshire, Economic and Labor Market Information Bureau

<u>Fiscal Year</u>	<u>New Commercial Construction Value</u>	<u>New Residential Construction Value</u>	<u>Total Construction Value (1)</u>	<u>Bank Deposits (2)</u>	<u>Airport Tonnage (3)</u>
1991	\$ 33,112,010	\$ 9,736,776	\$ 42,848,786	\$ 4,042,659	25,934
1992	3,000,860	12,536,610	15,537,470	2,221,554	25,934
1994 (4)	7,628,500	12,482,470	20,110,970	8,415,277	68,889
1995	7,904,712	30,400,084	38,304,796	(5)	51,774
1996	32,708,609	31,213,466	63,922,075	(5)	59,736
1997	57,985,836	35,906,571	93,892,407	(5)	57,350
1998	51,086,703	26,496,083	77,582,786	(5)	65,513
1999	22,034,115	16,466,026	38,500,141	(5)	72,135
2000	21,514,398	20,446,608	41,961,006	(5)	83,227
2001	49,137,554	27,493,997	76,631,551	(5)	80,711

Notes

(1) City of Manchester, Building Department

(2) Source: Sheshunoff Reports and State Banking Commissioner  
1991 and 1992 are Manchester deposits only. 1994 represents state-wide amounts. Individual municipal breakdowns are not available at this time.

(3) City of Manchester, Airport Authority.

(4) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

(5) Unavailable

<u>Name of Business</u>	<u>Type of Business</u>	<u>Real Property Assessed Value</u>	<u>% of Total Assessed Value</u>
Manchester Mall Realty Trust	Retail Mall	\$ 68,500,000	1.80%
Public Service Co. of NH	Utility	61,436,600	1.62%
Keyspan Energy	Utility	32,600,200	0.86%
IPC Office Properties, LLC	Utility	21,253,600	0.56%
New England Mutual Life Insurance Company	Insurance	16,000,000	0.42%
Cotter Company	Warehouse/Distributor	14,485,000	0.38%
Portnoy, Barry M. Tee	Medical Insurance	13,412,400	0.35%
May Center Associates Corp	Retail Store	13,063,700	0.34%
The Hitchcock Clinic	Healthcare Facility	12,854,200	0.34%
East Side Realty Trust	Retail Complex	<u>12,000,000</u>	<u>0.32%</u>
		<u>\$ 265,605,700</u>	<u>6.99%</u>

Source \_\_\_\_\_  
City of Manchester, Board of Assessor

**Governmental Expenditures Per Capita (1)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Health and Sanitation</b>	<b>Highway and Streets</b>
1991	98,722	\$182	\$225	\$17	\$104
1992	99,490	136	233	24	116
1994	(2) 101,039	156	233	24	136
1995	100,668	129	238	24	132
1996	101,900	138	244	23	142
1997	102,675	116	245	24	157
1998	103,330	111	262	25	160
1999	105,221	143	273	19	166
2000	106,180	167	280	22	174
2001	107,006	162	300	24	184

Notes

(1) Includes the General Fund only.

(2) Fiscal 1994 represents an 18 month operating budget to cover the City's fiscal year conversion period.

City of Manchester, New Hampshire  
Table XVI

Welfare	Education	Parks and Recreation	Debt Service	MSD	Total
\$15	\$586	\$25	\$88		\$1,242
13	609	26	99		1,256
12	626	25	116		1,328
11	646	11	154		1,345
11	696	11	150		1,415
10	679	11	164		1,406
15	759	11	156		1,499
9	760	23	188		1,581
11	29	26	207	\$ 1,095	2,011
13	20	27	206	1,088	2,024

Date of Incorporation	June 1846
Form of Government	Mayoral
Number of employees:	
City	1,390
School	1,618
Area in square miles	33.906
Number of registered voters	44,474
Total population	107,006
Total number of properties	30,635
Total taxable properties	29,475
Total tax-exempt properties	1,160
Manchester, New Hampshire facilities and services:	
Miles of streets	398
Number of street lights	8,675
Culture and recreation:	
Golf course	1
Ski area	1
Parks	73
Park acreage	1,224
Athletic fields, basketball and tennis courts	74
Indoor ice arenas	2
Fire Department:	
Number of stations	9
Number of fire personnel and officers	243
Number of fire/hazardous condition calls	4,453
Number of emergency medical service calls	8,362
Police Protection:	
Number of stations	6
Number of police personnel and officers	280
Number of motorized patrol units	15
Number of bike patrol units	6
Number of mounted patrol units	2
Total number of arrests	5,194
Total number of calls for service	95,988
Sewerage System:	
Miles of sanitary sewers	342
Sewage pumping stations	13
Number of service connections	23,352
Water System:	
Miles of water mains	470
Number of service connections	29,398
Number of fire hydrants	3,164
Daily average consumption in gallons	16,912,000
Education:	
Number of elementary schools	15
Number of secondary schools	8
Number of full time equivalent instructors K-12	1,251
Airport:	
Number of employees	57
Number of enplanements	1,627,348
Number of carriers	8